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# ***Daily Report***

## **East Asia**

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**FBIS-EAS-96-020  
Tuesday  
30 January 1996**

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January 1996

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# Daily Report

## East Asia

FBIS-EAS-96-020

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## Japan

### Japan: Tensions With U.S. Over Air Service 'Will Likely Heighten'

OW3001053396 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 26 Jan 96 Morning Edition p 3

[FBIS Translated Text] According to a senior Transport Ministry official, Tokyo intends to "make utmost efforts for Japanese air cargo carriers to win air cargo service rights comparable to those given to U.S. companies" before the end of March, the deadline for concluding the Japan-U.S. aviation talks. If it can make a breakthrough toward an accord on additional air routes and flights for Japanese companies in air cargo talks with the United States in February, the government expects that the aviation dispute between Japan and the United States will be settled before the 31 March deadline.

During the last aviation talks in November [1995], the United States called for modifying beyond rights (or flying rights to third-country destinations) and offered the "open sky" policy of liberalizing all flights over the Pacific Ocean by 2001. Meanwhile, Japan proposed a phased liberalization of flights after Japanese companies are given rights comparable to those granted to U.S. air cargo carriers. As such, there are wide gaps in the two countries' basic positions.

Aside from the issues discussed during the difficult air cargo talks, Japan Airlines' [JAL] application for the approval of flights between Narita and Kona, Hawaii has cropped up as another problem. JAL asserts that "such service is guaranteed by the civil aviation agreement between the two countries." Meanwhile, United Airlines "has opposed the U.S. Government giving its approval to JAL." There is a high probability that the friction between the two countries over passenger airline service will intensify unless the U.S. Department of Transportation gives JAL its approval for the Narita-Kona route.

Japan and the United States have agreed to discuss passenger airline services after they conclude air cargo talks. However, tensions between the two countries will likely heighten before U.S. President Bill Clinton visits Japan in April because of the dispute over JAL's demand for a new route. JAL plans to start the flights between Narita and Kona on 1 April, immediately after the 31 March deadline set for concluding aviation talks between Japan and the United States.

### Japan: Okinawa Submits U.S. Base Removal Plan to Tokyo

OW3001114896 Tokyo KYODO in English  
1005 GMT 30 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Okinawa Prefecture handed over to the central govern-

ment on Tuesday [30 January] its proposal calling for the removal of all U.S. bases in the prefecture by 2015.

Deputy Chief Cabinet Secretary Teijiro Furukawa told Vice Okinawa Gov. Masanori Yoshimoto and other prefectural officials that the government will deal with Okinawa's request "realistically" and "sincerely" in discussing the issue with the United States.

But Furukawa stressed that Japan will stick to the bilateral security treaty with the U.S. in dealing with the bases issue, government officials said.

The Okinawa side replied it does not deny the Japan-U.S. Security setup but said that does not go against its request for removal of U.S. bases from Okinawa, according to the officials.

The Okinawa blueprint aims to transform the southernmost Japanese prefecture into an "international urban area" with resort and research facilities.

The three-stage plan calls for the U.S. to return all 40 military facilities, including the Naha military port, the Futenma Marine Airfield and eight others during the first stage through 2001.

The prefecture's 53 municipalities have agreed on the plan, but a 28,000-member association of local landowners who lease land to the U.S. military opposes it because many of its members depend on the land rents.

The government will pass on the prefectural blueprint to the U.S. at the next meeting of the Japan-U.S. Special Action Committee on Okinawa, but the state has not fixed its stand on the proposal and a date for the meeting has not been set, the officials said.

The central government will receive a detailed explanation from the prefecture on the program Wednesday.

Also during Tuesday's meeting, the government told the prefecture it will confer with the U.S. on requests from Okinawa to prevent water pollution due to U.S. shelling drills and to reinforce measures to compensate victims of car accidents involving U.S. military personnel.

The government briefed Okinawan officials on the ongoing talks with the U.S. on requests to sign pacts to prevent noise from U.S. bases.

Prime Minister Ryutaro Hashimoto and Okinawa Gov. Masahide Ota met Jan. 23 and at the meeting the premier expressed sympathy for Okinawa's plight due to the heavy U.S. military presence.

In Okinawa, home to some 75 percent of U.S. bases in Japan by land area, antimilitary sentiment has grown



since the rape of a local girl in September, for which three U.S. servicemen are on trial.

**Japan: Ex-Envoy to U.S. Stresses Need for U.S. Forces Presence**

OW2901030996 Tokyo MAINICHI SHIMBUN  
in Japanese 27 Jan 96 Morning Edition p 3

[FBIS Translated Text] Former Japanese Ambassador to U.S. Takakazu Kuriyama spoke to the Japan National Press Club in Tokyo on 26 January about the issue involving U.S. military bases on Okinawa. He said: "The Japan-U.S. security arrangements should be firmly maintained. Japanese people need to share the recognition that presence of the U.S. forces (in Asia) is essential." He thus stressed his view that the question of cutting back bases ought to be dealt with in view of the significance of the U.S. forces' presence in Asia.

He added: "Even now, the United States has the image that Japan is a peculiar and mysterious country. At the same time, Japanese people have increasingly considered the United States to be a country of crimes and narcotics. At no time have the two nations needed to know each other more as at present."

By saying so, Kuriyama emphasized that people of the both countries, especially the younger generation, should understand each other.

**Japan: Prosecutors Demand 10-Year Sentences for Rape of Girl**

OW2901134796 Tokyo KYODO in English  
1219 GMT 29 Jan 96

[FBIS Transcribed Text] Naha, Japan, Jan. 29 KYODO — Prosecutors on Monday [29 January] demanded a 10-year prison term for three U.S. servicemen charged with the rape last fall of an Okinawa schoolgirl, calling the crime unprecedented in its viciousness.

U.S. Navy Seaman Marcus Gill, 23, Marine PFC. Kendrick Ledet and Marine PFC. Rodrico Harp, both 21, are being tried in the Naha District Court for the abduction and rape of a 12-year-old schoolgirl last Sept. 4.

Gill has admitted to the rape, while Ledet and Harp have admitted taking part in the abduction, but denied raping the girl, saying instead that they were pressured by Gill into the act.

Sentencing is set for March 7.

Prosecutors on Monday depicted the act as brutal and premeditated, saying, "the three men trained as soldiers tied up and raped the young and innocent girl."

"It is a crime of unprecedented viciousness when one thinks about the physical and emotional effect it will have on the victim," the prosecutors said.

Court observers said that a 10-year sentence is severe compared with the typical sentence given for this class of crime.

The trial resumed Monday after a one-month delay as the Fukuoka High Court and Supreme Court considered two appeals for a change of venue, based on the reason that the U.S. servicemen could not receive a fair trial in Okinawa Prefecture. Both appeals were rejected.

Prosecutors, in presenting their arguments Monday for harsh sentences, did not mention the impact this case has had among the people of Okinawa, who staged a massive rally in October calling for a reduction in the U.S. military presence in their island prefecture.

Instead, the prosecutors turned to the testimony of Gill who told the court in December that they attacked the girl because "women in Japan do not carry guns or knives for protection" and because "to Japanese, all foreigners look alike."

"(The suspects) inappropriately used the fact they are foreigners and it was a crime that deviously took advantage of public safety. It is a challenge to the people of our nation who support public safety and the motives are despicable without end," the prosecutors said.

They stressed the pain inflicted on the girl that "shattered her life even more than death," adding that "binding the victim up with tape like some parcel shows there was not even an ounce of consideration of the victim as a human being."

The defendants, after listening to the prosecutors' presentation in court, remarked meekly they had reflected deeply on their act and apologized to the victim and to the people of Okinawa, seeking the leniency of the court.

Gill apologized with all of his heart in a 15 minute statement, while Ledet maintained Gill had given false testimony when he insisted the two other marines were willing participants in the crime.

Still, Okinawa residents opposed to the U.S. Military presence there said the prosecutors' demand for a 10-year sentence was too lenient.

Suzuyo Takazato, 55, of one womens' group opposed to the U.S. bases and military in Okinawa said, "the three suspects are saying 'please, forgive us,' but the assailants must drag this along with them for the rest of their lives."



"In the trial, only the surface of the phenomenon was touched on, but it was never argued why this kind of crime occurred in the first place," said Takazato.

#### **Japan: Court Issues 11-Year Term to U.S. Marine for Murder**

OW2901032396 Tokyo KYODO in English  
0239 GMT 29 Jan 96

[FBIS Transcribed Text] Naha, Japan, Jan. 29 KYODO — The Naha District Court on Monday [29 January] gave a U.S. Marine private an 11-year prison term for killing a Japanese woman last year.

Joshua Hill killed a 24-year-old girlfriend last May by repeatedly hitting her with a hammer, according to the ruling.

Presiding Judge Shinei Nagamine said the crime was extremely cruel, adding it is doubtful whether Hill has had a serious contrition over his deed.

#### **Japan: Thorough Talks on Security Ties With U.S. Urged**

OW3001071396 Tokyo MAINICHI SHIMBUN  
in Japanese 28 Jan 96 Morning Edition p 4

[Report on interview with Aoyama Gakuin University Professor Kenichi Ito by Toshimitsu Shigemura; from the "Sunday Debate" column: "Updating of Japan-U.S. Security Arrangements Should Meet Demand of the Times"]

[FBIS Translated Text] Judging from the objective observations of the current situation and trends of public opinions, it would be difficult to maintain the Japan-U.S. security arrangements without reviewing their functions intended for coping with the Cold War. I believe the following steps should be taken to update the Japan-U.S. security arrangement:

1. U.S. Forces on Okinawa should be curtailed.
  2. In interpreting Article 9 of the Constitution, the use of collective defense rights should be partially allowed.
- I would like to explain the reasons for my proposals in line with trends and major events related to Japan's security.

As a matter of fact, both the Japanese and U.S. Governments once thought the conclusion of the Cole War could realize drastic arms reductions worldwide. However, since the end of the Cold War, the presence of uncertainties and tensions have become obvious in the Asia-Pacific region.

In February 1995, in response to changes in the world situation, the United States declared that the U.S. Forces

would maintain their current strength of 100,000 troops in the Asia-Pacific region, and troop cuts were not on the agenda in the region. In line with this, Japan adopted a policy of maintaining security ties with the United States. The two nation were ready to hold a summit meeting to reconfirm the bilateral security ties.

Nevertheless, the scenario was totally ruined by the September 1995 rape case involving an Okinawan elementary school girl. But the rape case was just a trigger.

The Japanese and U.S. Governments intended to maintain the existing framework of the bilateral security ties, but that was seemingly a too optimistic. Public demands for fundamental revision of the security ties were growing in both nations.

According to a public opinion poll conducted on the eve of the rape case, 64 percent of Japanese respondents and 76 percent of Americans supported the maintenance of the bilateral security treaty. However, 57 percent of Japanese pollees were against the United States' maintenance of its 100,000-man force in Asia. In the United States, only 47 percent supported the maintenance of the current strength in Asia.

Furthermore, 73 percent of Japanese respondents said U.S. military facilities in Japan should be streamlined. Such changes in public opinions suggest that the maintenance of the Japan-U.S. security arrangement cannot be discussed without reconsidering the status quo of U.S. facilities and manpower arrangements.

In the United States, demands for the review of security ties with Japan are roughly classified into three viewpoints:

1. Many American people take isolationist stances. They wonder why the world's largest debtor nation has to defend the largest creditor.
2. Others say the Japan-U.S. alliance should be dissolved at once. Chalmers Johnson, professor emeritus at the University of California San Diego, said that keeping Japan in a greenhouse benefits neither Japan nor the entire world.
3. Former Secretary of State Henry Kissinger said the United States should not adhere to its alliance with Japan, stressing the U.S. role as a balancer in East Asia by standing between Japan and China.

#### **Japan Made Light of Public Opinions**

On the other hand, those who urge the dissolution of the Japan-U.S. security arrangements are based on the following positions:



1. **Nonarmament and neutral strategy** — Pacifists from the Cold War period insist dissolution of the Japan-U.S. Security Treaty is a matter of course because the Cold War is over.

2. **Multilateral security** — Those who say cooperative security frameworks, rather than bilateral alliances, are needed to cope with any threats. They call for security dialogue among nations in Northeast Asia.

3. **Exodus from the Japan-U.S. alliance as the symbol of Japan's dependence on the United States** — This position is classified into two subgroups. One is a demand for becoming a leader of Asia by dropping the follow-the-United-States policy. Another position demands Japan's independent defense capability, including nuclear weapons, if necessary.

How should we deal with these opinions?

I believe the Japan-U.S. alliance is necessary as long as it covers bilateral cooperation in economic, environmental, and other fields in addition to defense tieups. In this sense, the Japanese Government was too optimistic in its attempt to maintain the framework built during the Cold War period. I have to say the government failed to adequately handle the public opinions that surfaced after the rape case.

Even if the significance of the Japan-U.S. security arrangements is undeniable, new perspectives should be given to future relations between the two nations. The proposal by [former] Defense Assistant Secretary Joseph Nye is too conservative to call an update.

#### **Individual-Level Debates Desired**

Does Asia really need 100,000 U.S. troops? Is it really impossible to withdraw Marines from Okinawa? Some U.S. researchers say U.S. troop cuts are possible. Such topics should be thoroughly discussed at the individual-level in the two nations, rather than intergovernmental talks only by bureaucrats.

The Japanese and U.S. Governments should think hard if the bilateral security arrangement can remain unchanged in the 21st Century even under the strong frustration of the Okinawan people. I would say it is impossible to maintain the entire framework build during the Cold War.

In this connection, we must no longer avoid discussions on Japan's collective self-defense rights. The use of collective self-defense rights should be allowed under certain circumstances. Of course, necessary measures should be taken to prevent Japan's military operations overseas.

#### **Japan: DA Seeks To Supply Weapons Parts to U.S. Forces**

OW3001010396 Tokyo ASAHI SHIMBUN  
in Japanese 28 Jan 96 Morning Edition p 1

[FBIS Translated Text] On 27 January, it was disclosed that the Defense Agency [DA] is studying the possibility of submitting to the current Diet session a list including "weapons spare parts" to be supplied to the U.S. Forces [USF] under the acquisition and cross-servicing agreement (ACSA). The "Export Control Ordinance," which bans the export of weapons, treats even spare parts as "weapons," and it is possible that supply of weapons spare parts may violate the three principles on weapons exports. Therefore the DA wants to treat the supply of spare parts under ACSA as an exception to the "three principles," and simplify procedures for their shipping. The DA will exchange opinions with both the Ministry of Foreign Affairs [MOFA] and the Ministry of International Trade and Industry [MITI] in the future. However, it seems that the issue will create a stir because the right of collective self-defense and other issues, including the possibility of the USF using the spare parts in actual battles, are also involved in the case.

ACSA does not take into account the possibility of emergencies. It is an accord designed to mutually provide goods and services, including fuel, food, and aircraft repair, between the SDF [self-defense forces] and the USF during Japan-U.S. joint training, and UN peacekeeping operations (PKO) only.

In addition to "ammunition," an accord — signed between the United States and the member nations of the North Atlantic Treaty Organization (NATO) for cross-servicing — allows military forces to mutually supply "spare parts" needed to repair weapons. Since ammunition is a typical "weapon," the DA will not include it in the ACSA list.

According to MITI, spare parts are also "weapons" listed in a table attached to the Export Control Ordinance. Because of this, the DA wants to treat the case of spare parts as an exception to the three principles on arms export, and to clearly spell out one way or the other the purpose of its intention as it revises the SDF law.

Regarding the procedures needed for cross-servicing, the Trade Control Ordinance requires the DA to obtain approval from the MITI minister before actually providing goods and services to the USF because spare parts are considered "weapons." However, it is impossible for the SDF to know beforehand the types and quantity of parts the USF needs. Therefore, the DA is studying the possibility of submitting an application —



in which names and approximate quantities of parts the USF needs are written — to the MITI minister for approval, and then change the names and quantities after joint exercises and other training is conducted. The DA wants to treat the issue of spare parts as an exception.

Such goods as engine parts for naval ships, tires for military vehicles, and military aircraft instruments are listed as "spare parts."

Moreover, the DA will also consult with the Cabinet Legislation Bureau to see if a case — in which the USF enters a state of war while its ships, vehicles, or aircraft are being equipped with spare parts supplied by the DA — is in conflict with the right of collective self-defense. In this regard, MITI is saying: "It will be difficult for us to grant an export approval if parts are used in a foreign war (for purposes other than defending Japan)."

The DA's Bureau of Equipment said: "The spirit of the three principles on arms export is not to proliferate international conflicts. Spare parts supply is not against this spirit because the performance of USF weapons will not improve even if we supply them with spare parts under the ACSA. Moreover, with regard to the importance of ACSA policies linked to improvement of the Japan-U.S. security system's reliability, we are sure there is no difference of opinion between the DA and other ministries, including MITI."

An official of MOFA's Japan-U.S. Security Treaty Division said: "We are still in the state of studying how we should treat spare parts. However, we are not in favor of setting restrictions on the supply of expendable goods such as screws. We would like to fairly study which parts actually fall under the categories of weapons described in the Trade Control Ordinance."

#### **Japan: Kajiyama Says French Nuclear Tests 'Extremely Regrettable'**

OW3001002596 Tokyo KYODO in English  
0014 GMT 30 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Passing up a chance to welcome the end of the current series of French nuclear testing, Japan Tuesday [30 January] renewed its charges that the tests in the South Pacific violated the will of the international community.

"It's extremely regrettable that France conducted the nuclear tests in defiance of protests from our country and the international community," Chief Cabinet Secretary Seiroku Kajiyama said in a statement.

Kajiyama said Tokyo hopes France will play a more active role in signing a comprehensive test ban treaty, currently under negotiation, and promoting nuclear disarmament.

The statement also noted that Japan is determined to end the negotiations successfully on the test ban treaty by this spring so it can be signed in the fall.

#### **Tokyo Wants France To Declare Halt to Nuclear Testing**

OW2901140496 Tokyo KYODO in English  
1122 GMT 29 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — Japan wants France to announce soon when it will end nuclear tests, a senior Foreign Ministry official said Monday [29 January].

"We strongly hope the latest will be the last," Vice Foreign Minister Sadayuki Hayashi told a news conference, referring to another French nuclear test conducted in the south Pacific on Saturday.

"It is very regrettable that France has carried out nuclear testing twice in defiance of the general will of the international community" shown in UN resolutions calling for the ultimate abolition and immediate halt to nuclear testing, he said.

The top career diplomat added that Tokyo does not know if or when Paris will make an announcement of the end of its nuclear testing.

France set off another underground nuclear blast on a French polynesian atoll Saturday, the sixth since the country resumed nuclear testing last September.

Another senior Foreign Ministry official told reporters later, "we really want France to announce the end of its nuclear testing."

New Party Sakigake [Harbinger], led by former Finance Minister Masayoshi Takemura, issued a special statement denouncing the latest French nuclear test.

The statement by Sakigake, one of the three ruling parties, said France's trust as a democratic country is sharply eroding as a result of its nuclear testing.

Meanwhile, a group of Japanese atomic bombing victims submitted a letter of protest to the French Embassy in Tokyo over France's latest nuclear test.

The letter, read by a member of the Japan Confederation of A-Bomb and H-Bomb Sufferers Organization in front of the embassy, says, "the French Government has no right to destroy the present and future of mankind."

Before handing over the letter to an embassy official, some 40 group members distributed protest handbills at JR Shibuya station in central Tokyo.

"It (the French nuclear test) can never be forgiven because it was conducted just after a radioactive substance



from the past nuclear tests was found in the waters," a 68-year-old male group member said.

Hiroshima Mayor Takashi Hiraoka voiced his anger at France's latest nuclear test in the south Pacific, saying that people around the globe cannot accept it.

"I feel very strong anger," Hiraoka told a press conference, pointing to recent reports on a leak of radioactive material after nuclear tests.

A group of atomic bomb victims in Nagasaki sent a letter of protest to the French Embassy in Tokyo.

The main opposition party Shinshinto (New Frontier Party) issued a statement, accusing France of ignoring the international community's request for terminating the tests.

The ruling coalition partner Social Democratic Party also issued a statement criticizing the latest French nuclear blast, calling it a "challenge to the international community," which is seeking nuclear arms reductions.

Tokyo Gov. Yukio Aoshima also sent a letter of protest to the French Embassy, the metropolitan government said.

#### **Japan: Premier Congratulates 'Arafat on Election Victory**

OW2301124696 Tokyo KYODO in English  
1051 GMT 23 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 23 KYODO — Prime Minister Ryutaro Hashimoto on Tuesday [23 January] congratulated Yasir 'Arafat on his sweeping victory in the election to choose a Palestinian president.

"I would like to express my wholehearted congratulations on the successful implementation of the elections of the Palestinian Council on Jan. 20 and on your election as the Ra'ees of the executive authority of the Palestinian Council," he said in a letter to 'Arafat.

"I sincerely wish that through the establishment by this election of a democratic interim self-governing organization, the Palestinian Council, the Palestinian interim self-government arrangement will be further promoted," Hashimoto said.

The premier also expressed the hope that "peace and prosperity will be brought about soon in the Middle East through future negotiations."

Foreign Minister Yukihiko Ikeda also sent a congratulatory letter to 'Arafat, head of the Palestine Liberation Organization.

He said he wishes to see negotiations on the expansion of Palestinians' limited autonomy in parts of the West Bank and Gaza Strip progress steadily.

#### **Tokyo Says Niger Coup 'Regrettable,' To Review Aid**

OW3001106796 Tokyo KYODO in English  
0908 GMT 30 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 30 (KYODO) — Japan sees last week's military coup in Niger as "extremely regrettable" and hopes for an early return to the path of democratization in the west African country, a Foreign Ministry spokesman said Tuesday [30 January].

"The Japanese Government thinks the incident is extremely regrettable," spokesman Hiroshi Hashimoto told a news conference, adding Tokyo also expects the newly established military regime to get the nation back on track toward democracy.

The spokesman also warned that Japan will reconsider its economic cooperation with Niger if the restoration of the democratic process is delayed.

In Saturday's coup that ended Niger's attempt to create a democracy since 1993, Col. Barre Mainassara Ibrahim seized President Mahamane Ousmane and declared himself head of state.

#### **Japan: Ministry on DPRK, Palestinian Elections, G-7**

OW3001025996 (Internet) Japan Ministry of Foreign Affairs WWW in English 26 Jan 96

[News conference by acting Foreign Ministry spokesman Ken Shimanouchi with unidentified reporters on 26 January; place not given; from the "Foreign Policies, Press Conference" link]

[FBIS Transcribed Text] [Topics of Discussion] I. Alleged denial of nursery school admission for children of United States servicemen II. Japan-United States-Republic of Korea joint consultations being held in Hawaii III. Japan observes Palestinian elections IV. Possible Moscow G-7 Summit V. Japanese Peace-keeping mission to Golan Heights

#### **I. Alleged denial of nursery school admission for children of United States servicemen**

Acting Foreign Ministry Spokesman Ken Shimanouchi: Good afternoon, ladies and gentlemen. Before I take your questions, I would like to answer a question which I was not able to answer fully last week — a question asked by Mr. Willis Witter of the WASHINGTON TIMES about a newspaper report suggesting that some children of United States servicemen stationed in Iwakuni were denied entry into the nursery schools there. We asked the City of Iwakuni their views on



this news report, and this is what they told us: "Nursery schools are children's welfare facilities established and operated in accordance with the Children's Welfare Law. Such being the case, priority is given to families that for some reason do not have anybody to take care of their children in the daytime, such as two-income families. The nursery schools in Iwakuni are now full and there are many children on the waiting list. They do not deny entry to children of United States servicemen serving on Iwakuni Base because they are foreign nationals. In taking new entrants, it is their policy to give priority to two-income families and families that find themselves in situations similar to that."

## **II. Japan-United States-Republic of Korea joint consultations being held in Hawaii**

Q: I would like to ask today about what is happening in Hawaii — the talks between Japan, the United States and South Korea concerning rice aid to North Korea, among other things. Do you have anything new on that?

A: We do not have a read-out of that meeting yet. The meeting was going on as of this morning and the report has not come in yet from Hawaii.

Q: There was a report on the front page of today's JAPAN TIMES quoting Government sources as saying Japan was inclined to do something to help out the North Koreans. Are you able to comment on that?

A: I do not know which article you are referring to. Please tell me.

Q: Here it is — "Rice Mission to Pyongyang."

A: Some newspapers carried articles about plans by the three ruling parties to send a delegation to Pyongyang to discuss this question of rice assistance. We have been in touch with the three ruling parties on that, but I will have to refrain from making further comments at this stage.

Q: Do you expect anything to come out later in the day? Someone else — maybe the Minister for Foreign Affairs — was to give a press conference at some point today, or there was some sort of briefing for the Japanese Press on this matter.

A: This is, according to the newspapers, an initiative by the political parties of Japan, so any announcement would be coming from them and not from the Government.

Q: I am just asking now for planning purposes. With the weekend about to start, should I be expecting something to happen this afternoon?

A: I can only speak for the Government. We do not contemplate making any announcements on this matter.

Q: Does the Japanese Government have any information that would tend to confirm or not confirm reports that children and other people in North Korea — that the situation is so bad that people — are actually starving?

A: We do not have any information that independently confirms that. We have information from international organizations that suggests there is a food shortage there, but we do not have any factual information beyond that.

## **III. Japan observes Palestinian elections**

Q: After the Palestinian elections held last week, and the election of president for Palestinian authorities — could you comment on that and could you tell us if there is a possibility for Japan to invite Chairman Yasir 'Arafat to Japan?

A: Let me answer the second part of your question first. I am not aware of any plans for the Japanese Government to invite Chairman Yasir 'Arafat of the Palestinian self rule council to come to Japan. On the elections, we sent a very large team of observers to the election — 77 in all. I understand this is the largest observer mission sent by any country. Of the 77, 59 were members of a Government team, including 38 people from the private sector. The two houses of the Diet sent 18 of their members to monitor the elections. Their delegation was headed by Representative Keizo Obuchi of the House of Representatives. I understand that this is the first time ever that the Japanese Diet has dispatched a team of electoral observers — ever. With regard to the election itself, it is the opinion of our observer team that, all in all, the elections were conducted in an orderly manner, in accordance with the established procedures, although there was some difficulty or confusion. For example, they had very little time to prepare for the elections. There was some confusion arising from that. Also, there was low voter turn-out in Jerusalem, because of the very complicated arrangements there for voting. For your information, our Prime Minister sent a message of congratulations to Chairman 'Arafat for the successful elections, and also for his election as Ra'ees (head) of the new Executive Authority.

## **IV. Possible Moscow G-7 Summit**

Q: I understand that there is a nuclear summit in Moscow in May?

A: I think they are discussing the possibility of holding the Summit on 19 or 20 April 1996.

Q: Will Prime Minister Hashimoto participate in this summit?



A: Since it will be a summit meeting of G-7 leaders, it is our desire to have our Prime Minister participate in the meeting. Since the exact timing of the Summit has not been finalized yet — I understand it is being discussed between the Russian Federation and the Chair of the G-7, France — and also because we do not know what the situation here in Japan — particularly the situation in the Diet — will look like in the coming months — no final decision has been made. But, it is on our diplomatic calendar.

#### **V. Japanese Peace-keeping mission to Golan Heights**

Q: I understand that there is a big Japanese mission to Golan Heights which already left last week. Could you comment on that?

A: We are still in the midst of preparations for that. Although I do not have an exact date, I understand that we will be sending a peace-keeping unit to the Golan Heights in February.

Q: Is it possible to know the exact date?

A: I can check and get back to you. Any other questions? Thank you very much.

#### **Japan: Ruling Parties' Policy Toward DPRK Criticized**

*OW3001111596 Tokyo SANKEI SHIMBUN  
in Japanese 27 Jan 96 Morning Edition p 2*

[Editorial: "The Ruling Parties' Renewed Approach to North Korea Is Dangerous"]

[FBIS Translated Text] Inscrutable moves in the ruling coalition parties have again surfaced on the DPRK policy. The source of all the trouble is, again, Koichi Kato, secretary general of the Liberal Democratic Party [LDP]. He has sounded former Prime Minister Tomiichi Murayama on forming a parliamentary league of the three ruling parties to replace the nonpartisan parliamentary league for the promotion of Japan-North Korea friendship, and asked Murayama to be the group's chairman. At the same time, there is also a proposal to provide the DPRK with a third rice aid, and to send a ruling party mission to North Korea.

This is absolutely incomprehensible. Kato, who played a central role in the decision to give a total of 500,000 tons of rice on two previous occasions, should give a clear answer to the following questions.

First, the ruling parties' decisionmaking process has consistently taken place in an extremely secretive manner behind closed doors. Why is it that reports about the failed rice crop and flooding in North Korea, and the question of how Japanese rice was being used were

never scrutinized, and why is it that the Japanese people were never given a detailed explanation on this? The idea that anything is permissible in the name of "humanitarian aid" should not be tolerated. More so if the DPRK's extremely undemocratic state system is taken into consideration.

Second, what is the strategic basis of such an accommodating attitude toward North Korea? If the purpose is merely to resume negotiations for the normalization of ties with the DPRK, this seems to be too frivolous a goal. It would be more understandable if the goal is to help stop North Korea from suddenly going berserk on a generally tense Korean peninsula.

However, in that case, coordination with South Korea is indispensable. On the contrary, why is it that Japan is behaving in a way that gives rise to alarm and distrust in the ROK? Is Japan making meticulous efforts to build the all important relationship of cooperation among Japan, the United States, and the ROK? As can be seen from the minimal role the Foreign Affairs Ministry plays in this matter, are not official diplomatic channels being ignored to an appalling extent?

Third, if the motive is to resume normalization talks through a parliamentary league consisting only of the three ruling parties, and to claim this as a coalition government achievement, this is truly dangerous. The pro-DPRK policy adopted consistently by the Social Democratic Party (formerly Social Democratic Party of Japan, or SDPJ) in the past is historical fact. The DPRK has always had the initiative even during the LDP-SDPJ missions to North Korea in previous years.

The question of the abduction of a Japanese woman, "Yi Un-hye," deadlocked past normalization talks. No matter how much rice aid Japan offers, North Korea has never shown any willingness to work for a breakthrough in this problem. On top of that, a senior North Korean official even stated that the rice aid is a symbol of Japanese "remorse [for its deeds during World War II]."

Generally speaking, bringing ulterior political motives into play in diplomacy is harmful for national interests; and in the case of the DPRK, this is absolutely out of the question. We must not forget that suspicions about the DPRK's development of nuclear arms have not been completely cleared, and this neighboring country actually possesses missiles.



**Japan: Minister Seeks 'Future-Oriented' Ties With ROK**

*OW2901133896 Tokyo KYODO in English*  
*1051 GMT 29 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — Foreign Minister Yukihiko Ikeda reiterated Monday [29 January] Japan wishes to build "future-oriented" relations with South Korea, a Foreign Ministry official said.

Ikeda underscored the need for such ties in a brief meeting with Shin Hyon-hwak, chairman of the Korea-Japan Cooperation Council, a body set up to promote bilateral private-sector cooperation, the official told reporters.

He also told Shin, a former South Korean prime minister, that he wants to meet South Korean Foreign Minister Kgong No-myong as early as possible, the official said.

**Japan: Ruling Coalition Asks ROK Approval To Send Delegation**

*OW3001083696 Tokyo KYODO in English*  
*0808 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Senior members of Japan's ruling coalition Tuesday [30 January] sought Seoul's okay to send a mission to South Korea in mid-February to discuss issues of mutual concern.

The request was made when Taku Yamasaki, head of the Policy Affairs Research Council of the Liberal Democratic Party (LDP), and his counterparts of the two other coalition partners met with South Korean Ambassador to Japan Kim Tae-chi, coalition officials said.

Yamasaki told Kim that the tripartite coalition would like to send the mission to meet President Kim Yong-sam and explain the direction of the new government of Prime Minister Ryutaro Hashimoto, the officials said.

The coalition mission would also like to discuss with South Korean officials North Korea's request for a third shipment of rice aid.

The ambassador said he would have to confirm the position of the South Korean Government first concerning the visit and promised to answer early next month, the officials said.

The mission, if realized, would include Yamasaki and policy chiefs from the other coalition parties — the Social Democratic Party and New Party Sakigake [Harbinger].

**Japan: Tokyo Extends 248 Million Yen in Aid to SRV**

*OW2901140596 Tokyo KYODO in English*  
*1054 GMT 29 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — Japan has extended a grant-in-aid of up to 248 million yen to Vietnam to help finance a project to reconstruct old bridges in northern parts of the Indochinese country, the Foreign Ministry said Monday [29 January].

Notes on the aid were exchanged between officials of the two nations in Hanoi the same day, the ministry said.

The fresh aid brings the total amount of Japan's grant-in-aid to Vietnam for fiscal 1995, which ends March 31, to 8,014 million yen, it said.

**Japan: Finance Ministry Welcomes Daiwa Bank Accord**

*OW2901050896 Tokyo KYODO in English*  
*0359 GMT 29 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — The Finance Ministry welcomed the final agreement signed Monday [29 January] to transfer Daiwa Bank's U.S. operations to Sumitomo Bank, following a U.S. order for Daiwa to leave the U.S. market after the alleged cover-up of shady bond trading.

"The transfer seems to be progressing smoothly," said a senior official of the ministry's banking bureau.

Under the agreement, Daiwa's 15 U.S. branches, among other things, come under Sumitomo's control.

U.S. banking authorities last year ordered Daiwa to withdraw from the United States by Feb. 2, charging the bank of a plot to hide a \$1.1 billion loss incurred over 11 years on unauthorized bond trading.

On the much-rumored merger of Sumitomo and Daiwa, the ministry official said, "basically, the matter should be decided through discussions between the parties concerned," indicating the ministry will monitor future development of the issue.

**Japan: Plan Approved To Cover Half of Secondary Usen Losses**

*OW3001011996 Tokyo KYODO in English*  
*0042 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Prime Minister Ryutaro Hashimoto's cabinet approved a plan Tuesday [30 January] to use taxpayers money to cover half of all future "secondary" losses to be incurred in disposing of 6.78 trillion yen that seven



mortgage companies plan to hand over to an official debt-collection agency after an initial write-off.

The plan constitutes a crucial portion of an overall scheme to dispose of 13.2 trillion yen in the combined assets held by the housing lenders that are saddled with estimated initial losses worth 6.41 trillion yen — the portion whose immediate write-offs are mandated by the plan.

The initial losses are to be written off with founding banks and other creditor banks forgiving the housing lenders' debts — a major portion of an initial write-off of 6.41 trillion yen — and taxpayers and agricultural cooperative-affiliated financial institutions taking the rest of the tab.

The scheme obligates the debt-collection body to try to recover debts by demanding repayments from borrowers and selling mortgaged properties over a 15-year period.

The secondary losses are expected to be incurred after the body is unable to fully collect the housing lenders' remaining outstanding loans worth a total of 6.78 trillion yen.

The Finance Ministry has not released its estimate of how much the secondary losses would amount to, but private economists say taxpayers would have to shell out well above 1 trillion yen, including an initial outlay of 685 billion yen from the national treasury.

The government hopes to secure public consent for the overall liquidation plan for the housing lenders by vowing to try to collect debts from defaulted borrowers and prosecute related parties responsible for the mess.

However, political analysts say they expect that turbulence will sweep through upcoming parliamentary deliberations over the taxpayer-funded bailout plan at a key Diet panel to convene later in the day, in light of the public's outrage at the plan.

#### **Japan: Association Head Welcomes Government Mortgage Plan**

*OW3001100696 Tokyo KYODO in English  
0858 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — A banking industry leader welcomed Tuesday [30 January] the government's final plan to deal with the huge bad loans of seven moribund housing loan companies due to be liquidated.

"The government's adoption of the final scheme marks a major step forward toward the early settlement of the bad loan mess," Toru Hashimoto, chairman of the Federation of Bankers Associations of Japan, said at a press conference.

"An early settlement of the issue will help Japan maintain the stability of its financial system and restore domestic and overseas confidence in the system," said Hashimoto, president of Fuji Bank.

At a cabinet meeting Tuesday morning, the government approved the final scheme, under which costs for disposing of losses that could emerge in the process of collecting loans at the virtually bankrupt mortgage companies will be split equally between the government and the private sector.

The government has already decided to use 685 billion yen from the fiscal 1996 budget to help cover losses immediately stemming from the write-offs of loans at the housing loan companies which were identified as irrecoverable.

At the news conference, Hashimoto voiced his readiness to speak before the Diet on the bad loan issue, which is the focus of debate at the current parliamentary session.

"If asked, I will give testimony before the Diet and reply to questions," he said.

Hashimoto also said, "under the final scheme, banks can survive possible lawsuits from shareholders in connection with the bad loan issue."

Possible lawsuits from shareholders are prime concerns for commercial banks over their support for the disposal of bad loans at the seven mortgage companies.

The final scheme calls on the private sector to create a special fund worth up to 1 trillion yen to help cover losses that could emerge in the loan collection process.

In legislation to be introduced to tackle the bad loan issue, the government will stipulate that the creation of the special fund is aimed at maintaining the soundness of Japan's financial system, and not at saving any specific institution.

Since donations to the special fund are required by law, banks can cope with lawsuits from shareholders against such extra expenditures.

Hashimoto reiterated agricultural financial institutions should be blamed for the introduction of taxpayers' money in the bad loan issue.

The costs to be shouldered by agricultural institutions, major creditors to the mortgage companies, are limited to 530 billion yen. They rejected the Finance Ministry's call to shoulder about 1 trillion yen, insisting the sum is too huge to enable them to stay in business.

Hashimoto also said commercial banks are positive on disclosing the amount of their loans to struggling



nonbank affiliate companies other than the housing loan companies.

"The banking industry is now considering unified standards for disclosure of such bad loans," Hashimoto said.

But the setting of the standard is likely to be delayed until February from the initially planned January, he added.

**Japan: Hashimoto Defends 'Jusen' Liquidation Plan**  
*OW3001051096 Tokyo KYODO in English*  
0442 GMT 30 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Prime Minister Ryutaro Hashimoto on Tuesday [30 January] defended the government's scheme to use taxpayers' money to wind up crippled housing loan firms, known as "jusen," as a necessary measure to maintain the financial system.

"Resolving bad loans is an issue which cannot be avoided to rebuild the financial system in which public confidence has eroded and to restore confidence in it in and outside Japan. Jusen is its symbol," Hashimoto said at the opening of debate by the House of Representatives Budget Committee on the fiscal 1996 state budget.

The budget sets aside 685 billion yen for soaking up losses stemming from the liquidation of seven of the nation's eight housing loan companies.

The scheme, mapped out by the cabinet of Hashimoto's predecessor, Toriiichi Murayama, has sparked public anger, providing the main opposition party Shinshinto (New Frontier Party) with ammunition to press the government to dissolve the lower house for a snap general election.

Shinshinto Secretary General Takashi Yonezawa, speaking at the committee meeting, demanded that the government provide more information about how the scheme was hammered out and that Murayama and former Finance Minister Masayoshi Takemura be called for questioning before the committee.

Executive members of the committee are to discuss whether to question Murayama and Takemura before the panel.

Hashimoto made an apology for a delay in disclosing information on the government plan and pledged to provide as much such information as possible if requested.

He pointed to the possibility of writing new legislation to deal with bad loans left by the housing loan companies if the existing laws are found insufficient.

Asked by Yonezawa how the banks that set up the mortgage firms are responsible for the bad loan problem,

Hashimoto said the founding banks are responsible for letting such companies get into a business crisis and what went wrong must be investigated.

Major commercial banks set up the housing loan firms in the 1970s because the banks did not offer housing loans for individuals at that time.

But the banks themselves began offering such housing loans later, thereby causing the mortgage firms to expand into real estate-related loans other than those for individuals.

Finance Minister Wataru Kubo told the committee that there has been no choice but to use public money to make up for the losses because to preserve the financial system the resolution of the bad loan mess at the mortgage firms cannot be postponed.

Kubo said the legal, political and moral responsibility over the problem must be clarified, given that taxpayers' money is to be used.

**Tokyo Urges Public 'Composure' Over Housing Loan Issue**

*OW2901101296 Tokyo KYODO in English*  
0902 GMT 29 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — The top government spokesman urged taxpayers Monday [29 January] to have "composure" and support the government's scheme to use their money to liquidate seven housing loan companies.

Chief Cabinet Secretary Seiroku Kajiyama made the remarks at a press conference in response to questions about growing public anger over the controversial plan.

Kajiyama said the government and the tripartite ruling coalition did not intend to alter or suspend the scheme, reiterating the need for the liquidation plan to restore confidence in the Japanese financial system.

The government feels a pain similar to "drinking boiling water" over its decision to use public money, he said.

Government and coalition party leaders endorsed the liquidation plan and the process by which the losses on outstanding loans at the virtually bankrupt mortgage companies will be shared between the government and the private sector.

Since the losses are estimated to total at least 1.24 trillion yen, it is likely that the amount of taxpayers' money for the bailout plan will top 1 trillion yen. This includes the 685 billion yen the government has already earmarked under its fiscal 1996 budget.

The plan is scheduled to be endorsed at a regular cabinet meeting Tuesday morning.



**Japan: MOF Decides Not To Publicize Major Debtors**

OW2901133996 Tokyo KYODO in English  
1050 GMT 29 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — Vice Finance Minister Tadashi Ogawa said Monday [29 January] that the Ministry of Finance (MOF) will not make public the names of major borrowers from insolvent housing loan companies to be liquidated with the use of taxpayers' money in a government scheme.

"All we can do legally is to present such data to a closed meeting of deliberators on the issue," Ogawa said at a press conference.

Ogawa said that under existing law, the ministry cannot disclose some information submitted by individual private companies.

On Jan. 19, the government unveiled a set of documents on the housing mortgage companies, including data on the top 50 borrowers from each of the seven firms. The actual names of the borrowers, however, were not disclosed.

The opposition camp has called for further disclosure, including the names of major debtors.

"Necessary information will be available to deliberators," Ogawa said, adding that the ministry will continue to disclose as much data as possible.

Asked about responsibility in the housing lender mess, Ogawa said, "it is the people who will make a judgment after hearing deliberations in the Diet session."

The housing lender issue is a main point of contention between the ruling coalition and the opposition side in the current ordinary Diet session which runs through June 19.

In late December, the government decided to use 685 billion yen from its coffers to help finance the disposal of 6.41 trillion yen in losses to be incurred from the liquidation of the housing mortgage firms.

The government decision sparked public criticism largely because the plan does not call for punishment of those who loaned and borrowed recklessly during the bubble economy of the late 1980s.

The housing mortgage firms' loans soured after the collapse of the bubble economy and an ensuing drop in real estate prices.

**Japan: SDP's Sato Interviewed on 'Jusen,' New Party**

OW3001112896 Tokyo NIHON KEIZAI SHIMBUN  
in Japanese 28 Jan 96 Morning Edition p 2

[Interview with Kanju Sato, secretary general of the Social Democratic Party; time and place not given; first paragraph is NIHON KEIZAI SHIMBUN introduction]

[FBIS Translated Text] The Social Democratic Party [SDP] has made a new start by changing its name, from "Shakaito [the Social Democratic Party of Japan]" that was used over a half century after the war, and under a new platform and regulations. Immediately after its new start, the SDP is faced with a dilemma over the handling of the secondary losses of home mortgage companies (jusen). There is no denying that the SDP, which has now become simply the "second major ruling party," may once again become a factor of instability among the ruling coalition parties. We interviewed SDP Secretary General Kanju Sato on measures to deal with the jusen issue and on the basic principle for forming a new party.

[NIHON KEIZAI SHIMBUN] Concerning the issue of handling jusen's secondary losses, dissatisfaction and opposition have been voiced within the party.

[Sato] The current Diet session will concentrate on the jusen issue but we have not won the people's understanding. Very severe views have been voiced within the party about the decision that the government will shoulder half of the secondary losses. The coalition parties must deal with this issue with strictness so that our people can be made to see "fairness."

[NIHON KEIZAI SHIMBUN] What do you mean by "strict measures" in concrete terms?

[Sato] Strict measures must be taken so that management of financial institutions and the administration can be held responsible, ministers at the top can be asked to account for their political responsibility, and both borrowers and lenders can be held responsible. We have to clarify as to how the worst situation, in which such a large amount of taxes has to be used, has been brought about. The Budget Committee will decide on whether those concerned should be summoned as unsworn witnesses. However, since public funds will be used, it is only natural that those involved, including politicians, should be asked to come out and make statements. Depending on developments, I feel that some may be summoned as sworn witnesses.

[NIHON KEIZAI SHIMBUN] Regulations on controlling the total amount of funds that banks can lend to real estate developers were introduced in March 1990 when Prime Minister Ryutaro Hashimoto was finance



minister. The opposition parties intend to make an issue of why jusen were excluded from these regulations.

[Sato] At that time, these regulations were introduced because they were believed to be correct. Appraisal will probably be made on the results of introducing these regulations. Since the prime minister will be present at the Diet session to answer questions, it will be necessary for him to accurately explain the situation at that time.

[NIHON KEIZAI SHIMBUN] Behind the measure to handle the secondary losses lie the measures for settling jusen's bad loans that the Murayama cabinet decided on in late 1995. In this sense, the SDP is also involved, is it not?

[Sato] Finance Minister Wataru Kubo is from the SDP. However, as a party not directly involved in this issue in the past, we would join in deliberations so as to convince our people. With regard to the monetary management issue, an overall check should be made of the system, including the inspection system connected with the Finance Ministry, the Bank of Japan, and local governments, as well as the deposit insurance organization.

[NIHON KEIZAI SHIMBUN] Mr. Secretary General, you yourself have served as auditor of the "Tokai Denko," a company for which "Juso" — one of the jusen companies — has provided a large amount of loans, and have received political funds from this company.

[Sato] I was not aware that the company had borrowed money from jusen until it was reported. Since repayment is still in progress on the basis of the contract, I do not think there are any problems. As for the political fund, though I have not done anything directly for the company, it has devotedly given me support, mostly in the form of individual donations. And I feel no pricks of conscience.

[NIHON KEIZAI SHIMBUN] What about the progress in forming the new party?

[Sato] We will form a new party that will be joined by New Party Sakigake [Harbinger], local parties, and consumers' groups — a party joined by democrats, liberal forces, and dovish forces. It goes without saying that the new party will be organized prior to the next House of Representatives elections. For this purpose, we would like to convene the party congress in early March to work out future action plans.

[NIHON KEIZAI SHIMBUN] Some Sakigake members have voiced their caution in joining. What do you think of this?

[Sato] We are still in the preliminary stage of negotiations. Efforts will be further concentrated on consul-

tations. There is no reason why negotiations must be held at formal forums. We hope that there will be more chances to hold talks with Sakigake, with the party head and general secretary playing the major roles.

#### **Japan: Individual Farm Federations' Bad Loans To Remain Secret**

OW3001040996 Tokyo KYODO in English  
0324 GMT 30 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Farm Minister Ichizo Ohara said Tuesday [30 January] financial information on individual prefectural federations of agricultural credit cooperatives will not be disclosed, in connection with a government scheme to liquidate insolvent housing loan companies.

"We will disclose the total amount of bad loans of the 47 federations but not an amount by each federation," Agriculture, Forestry and Fisheries Minister Ohara said at a press conference after a regular cabinet meeting.

Ohara's comments were taken as a step back from his previously stated position, as outlined on Jan. 23, that his ministry would present to the Diet all relevant information, including latent profits on securities and the totals of bad loans.

Asked why the ministry intends not to release information based on each federation, Ohara said, "credit unions do not disclose theirs, either."

Ohara maintained that, even without federation-specific data, the ministry can explain the grounds on which agricultural-affiliated financial institutions will be asked to shoulder losses of 530 billion yen, as part of the 6.41 trillion yen in losses to be incurred in the liquidation of the seven mortgage companies under a government scheme.

#### **Japan: 'Sources' Reveal Jusen, Borrowers' Unreported Income**

OW2701105696 Tokyo KYODO in English  
0954 GMT 27 Jan 96

[FBIS Transcribed Text] Tokyo, Jan. 27 KYODO — The failed Japan Housing Loan Co. and nine major borrowers and their executives failed to report earnings worth more than 30 billion yen, sources close to tax and law enforcement authorities said Saturday [27 January].

In most cases, the sources said the companies concealed profits from real estate and stock transactions at the height of the bubble economy in the late 1980s.

The borrowers had a huge amount of debts to Japan Housing Loan and other failed mortgage lenders, in-



cluding Jyuso Inc. and Daiichi Housing Loan Co., they said.

Unreported income was discovered by tax authorities and some of the companies and executives were charged by prosecutors with tax evasion, the sources said.

They said Japan Housing Loan failed to report a total of 4 billion yen worth of profits from stock and bond trading in July 1992 immediately before the company came up with a financial reconstruction plan.

The then chairman of Daiichi Fudosan Co., a realtor in Tokyo's Shinjuku Ward, failed to report his individual earnings worth about 21 billion yen made in sales of stock in the company's subsidiary in 1991, the sources said.

Daiichi Fudosan owed 31.7 billion yen to Jyuso and Daiichi Housing Loan as of June 1995, they said.

The Osaka-based Asahi Juken Group, which owed a total of 105.2 billion yen to Nippon Housing Loan, and three other mortgage lenders, hid 550 million yen in earnings over three years to the end of 1990, the sources said.

Kubota, a realtor in Kyoto, was accused of hiding about 1 billion yen worth of corporate earnings gained in real estate transactions in 1986 and 1987, the sources said.

The outstanding balance of debts owed by the group to housing loan companies stood at 22 billion yen, they said.

Maruto Komuten, a housing construction company in Ichikawa, Chiba Prefecture, concealed about 500 million yen in earnings over a three-year period that ended in April 1985, the sources said.

The company's outstanding debt to Japan Housing Loan Co. amounted to 35.2 billion yen.

Five other heavy borrowers and subsidiaries and some of their executives were found to have concealed their earnings, the sources said.

#### **Japan: Daily Says MOF To Allow Slip in Minimum Capital Rates**

*OW2801060496 Tokyo KYODO in English  
0506 GMT 28 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 28 KYODO — The Ministry of Finance (MOF) will allow commercial banks to temporarily slip below a minimum capital adequacy rate following a write-off of bad loans, the national daily YOMIURI SHIMBUN said Sunday [28 January].

Under rules set by Bank for International Settlements (BIS), banks operating internationally are required to keep their net capital ratio above 8 percent.

These ratios at Japanese banks are expected to fall substantially as banks will be forced to use capital reserves to cover losses in writing off bad loans in connection with a government plan to liquidate seven virtually failed housing loan companies.

The ministry's decision is designed to get swift action from the Japanese banking sector in disposing of the loans, the paper said.

Japan's 21 major commercial banks are expected to have combined losses of 3.76 trillion yen in the plan to dissolve the seven mortgage companies, the paper said.

The banks' net capital ratios stood at around 9 percent at the end of September last year, the paper said.

#### **Japan: MOF Expediting Major Monetary Policy Review**

*OW2901141096 Tokyo KYODO in English  
1224 GMT 29 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — Learning a lesson from the mortgage lending fiasco, the Ministry of Finance [MOF] is expediting a wholesale review of its monetary policy, ministry sources said Monday [29 January].

The sources said the outcome of the review will be reported at a House of Representatives budget committee meeting where discussions will focus on the government's 1996 fiscal budget and housing loan company rescue plan.

Major points to be reviewed include ministry actions to curb the rocketing of land prices and the exclusion of financial arms of agricultural organizations from obligations to submit reports on lending for real estate transactions, they said.

The ministry will also analyze a series of monetary policies implemented during the period of Japan's asset-inflated "bubble economy" of the late 1980s, they said.

The ministry intends to make financial institutions take responsibility for financial problems and promote disclosure of information on their operations, they said.

#### **Japan: NFP Storms Out of Committee Session on 'Jusen' Plan**

*OW3001120696 Tokyo KYODO in English  
0937 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — The members of the main opposition party Shinshinto



(New Frontier Party [NFP]) stormed out of a House of Representatives budget committee session Tuesday [30 January] after demanding more information about the government's plan to clean up the financial mess involving the nation's housing loan companies.

Takeshi Noda of Shinshinto later told a press conference that the party will boycott the committee session until the government supplies materials to show why 685 billion yen of taxpayers' money is needed to liquidate the failed housing lenders.

Earlier in the day, Prime Minister Ryutaro Hashimoto defended the government's scheme to wind up the crippled housing loan firms, known as "jusen," calling it a necessary measure to maintain Japan's financial system.

"Resolving bad loans is an issue which cannot be avoided to rebuild the financial system in which public confidence has eroded and to restore confidence in it both in and outside Japan. The jusen is its symbol," Hashimoto said at the opening of debate at the lower house committee on the fiscal 1996 state budget.

The budget sets aside 685 billion yen for soaking up losses stemming from the liquidation of seven of the nation's eight housing loan companies.

The scheme, mapped out by the cabinet of Hashimoto's predecessor, Tomiichi Murayama, has sparked public anger, providing Shinshinto with ammunition to press the government to dissolve the lower house for a snap general election.

Shinshinto Secretary General Takashi Yonezawa, speaking at the committee meeting, demanded that the government provide more information about how the scheme was hammered out and also that Murayama and former Finance Minister Masayoshi Takemura be called for questioning before the committee.

Executive members of the committee are to discuss whether to question Murayama and Takemura before the panel.

Hashimoto made an apology for a delay in disclosing information on the government plan and pledged to provide as much information as possible if requested.

#### **Japan: EPA Head Hints at Feb Reference to Economic Recovery**

*OW3001033096 Tokyo KYODO in English  
0254 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Economic Planning Agency (EPA) director General Shusei Tanaka suggested Tuesday [30 January] the government will incorporate reference to an economic

recovery in its monthly economic assessment report due out February.

"Economic developments have been favorable since our January economic report. We are now studying our judgment, including economic recovery," Tanaka said at a press conference, referring to a third straight year-on-year rise, in December, of Japan's industrial production.

In the January report, the government said the economy is gradually emerging from its previous stagnation.

On the labor market, Tanaka said there are signs of slight improvement, though severe conditions remain across a broad front.

"I believe we can hope for a gradual recovery (in the employment conditions) by steering the economy well, including gaining approval of the (fiscal 1996) national budget," Tanaka said.

#### **Japan: Officials on Overseas Reaction to Deregulation Program**

*OW2901140396 Tokyo KYODO in English  
1118 GMT 29 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — An interim deregulation program prepared by the Japanese Government failed to please some of Japan's trading partners Monday [29 January], government officials said.

The officials said representatives of diplomatic missions and companies in Tokyo were briefed on the program at a meeting held at the Foreign Ministry Monday.

The briefing was made by related officials at 11 Japanese ministries, including the finance and international trade ministries, and the Fair Trade Commission, they said.

Representatives from the United States, the European Union and their economic organizations have welcomed progress since last year in opening the telecommunication market, the officials said.

They, however, expressed hope for further market opening measures by the government, the officials said.

Responses from foreign representatives will be reflected in a revised deregulation program to be finalized by the government at the end of March, they said.

The officials said the government plans to hear views from related domestic and foreign organizations before finalizing the program.



**Japan: EPA Sets Up Task Force on Deregulation***OW3001041096 Tokyo KYODO in English  
0325 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — The Economic Planning Agency (EPA) has set up a task force to expedite a government deregulation plan, EPA officials said Tuesday [30 January].

The eight-member team will study the effects of deregulation on the nation's economy ahead of a March review of the government's deregulation plan, the officials said.

The review is aimed at helping promote the government's new economic plan mapped out last December for structural reforms, they said.

**Japan: DA Firms Up Outline of New 'Reflex Reserve' System***OW2901043996 Tokyo ASAHI SHIMBUN  
in Japanese 28 Jan 96 Morning Edition p 3*

[FBIS Translated Text] On 26 January, the Defense Agency [DA] firmed up the outline of its new "reflex reserve" system to be established for the Ground Self Defense Force [GSDF] under the new National Defense Program Outline. Specifically, some of the pillars of the new reserve system are as follows: 1) Volunteers who are former Self Defense Forces [SDF] personnel will be recruited, and they will be required to train for a total of 30 days a year; 2) their duties will include not only combat in the battlefield in case of emergencies but also response to great disasters and participation in UN peacekeeping operations (PKO); and 3) a system will be set up to compensate firms which will be hiring reflex reserve personnel. Recruiting will begin in FY97, and the first group of recruits for that year is to be deployed to the GSDF Western Army's 4th Division (located in Kasuga, Fukuoka Prefecture).

Under the reflex reserve system, reserve SDF personnel who normally work at private firms will be called up to participate in activities at the battlefield in case of emergencies. In comparison to traditional SDF reserve personnel whose normal roles are logistic support or rear guard operations, reflex reserve personnel are required to possess highly-specialized skills.

The new National Defense Program Outline, which was approved last November, calls for the introduction of 15,000 reflex reserve personnel. A law was enacted to initially recruit 5,000 such personnel in the 5-year mid-term defense buildup program which starts in FY96. The DA, for its part, has been working out the details in preparation for submitting relevant bills.

Final adjustments are being made at the DA, which plans to work out the basic concept that involves the

following points: 1) The GSDF will recruit former SDF personnel who have retired in the past three years as junior officers, senior enlisted men, or junior enlisted men; 2) the scope of reflex reserve personnel will be widened to include assistance during major earthquakes and other great disasters where regular SDF personnel can not reach and participation in UN PKO activities which require linguistic abilities and other special skills; and 3) the DA director general will be authorized to issue an order to call up reflex reserve personnel so that their deployment will not be delayed.

In regard to compensating private firms which may be hiring reflex reserve personnel, it is likely that the government will adopt a plan under which these firms will be given preferential measures such as special tax considerations and the use of tax money to compensate for business losses they incur as a result of their employees' taking leave to attend training sessions.

**Japan: Usui Hints at Arms-Use Review for SDF Missions***OW2601134396 Tokyo KYODO in English  
1221 GMT 26 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 26 KYODO — Defense Agency head Hideo Usui on Friday [26 January] suggested a possible review of the legal provision governing the use of arms by Self-Defense Forces (SDF) personnel during their participation in peacekeeping operations of the United Nations.

Usui told a House of Councillors plenary session that the use of weapons in such SDF missions will be included in the proposed general review of the law regulating SDF cooperation with UN peacekeeping activities.

The current law says SDF personnel are allowed to use weapons only to protect themselves when their lives are threatened. The judgment on the use of arms is left to each SDF member.

Usui also said the government will consider SDF participation in UN peacekeeping forces themselves, which has been suspended pending further discussion, on the basis of previous experiences and Diet debate.

He said there are no constitutional problems for such expansion of SDF contributions to UN peacekeeping activities, although participation in combat operations is banned under the Constitution.

**Japan: DA Prepares New Defense Program Booklet***OW2501030096 Tokyo KYODO in English  
0114 GMT 25 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 25 KYODO — The Defense Agency [DA] has produced a booklet on



its new long-term national defense program outline, the first revision of Japan's long-term defense program in 20 years, agency officials said Thursday [25 January].

The booklet details changing international security situations in the post-Cold War era and calls for close coordination with local governments in disaster management and active participation in UN peacekeeping operations, the officials said.

The agency has printed 200,000 copies of the booklet. Officials said versions in English, Chinese and other languages may be published as well.

**Japan: Poll Reveals Voters Not Voting Along Party Lines**

*OW2801012596 Tokyo KYODO in English*  
*0105 GMT 28 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 28 KYODO — More than 50 percent of Japan's eligible voters do not support a specific political party, a poll conducted by an affiliate of the Home Affairs Ministry showed Sunday [28 January].

The Organization To Promote Clean Elections said the report is based on a poll taken on 3,000 eligible voters picked at random across the nation between late April and early May last year, with 75.8 percent responding.

It said 55.3 percent of the respondents said they do not support any political party, up from 36 percent recorded in the previous survey conducted four years ago.

The organization said only 23.4 percent appreciated political achievements at the national level, down from 40 percent in the previous poll.

In contrast, those who appreciated achievements at prefectural and municipal levels remained almost unchanged at 43.6 percent and 51.8 percent, respectively, the organization said.

Only 10.5 percent said voters' views are reflected in national policies, the lowest level on record, it said.

The support rate for the main ruling Liberal Democratic Party dropped to 24.3 percent from 40 percent in the previous survey, while that for the Social Democratic Party plunged to 5.8 percent from 10.2 percent, the organization said.

The support rate for the newly organized main opposition Shinshinto (New Frontier Party) stood at 3.3 percent, it said.

Support for the Japanese Communist Party dropped to 1.7 percent from 2.0 percent, while that for Komeito, a Buddhist-backed group which merged with Shinshinto

inched down to 3.1 percent from 3.9 percent, the organization said.

In gubernatorial elections, 71 percent of the respondents said they will cast ballots for candidates according to their personalities, while 17.7 percent said they will choose candidates based on their political parties.

**Japan: LDP Appeals to Business Community for Donations**

*OW2901134596 Tokyo KYODO in English*  
*1044 GMT 29 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 29 KYODO — The Liberal Democratic Party (LDP) has intensified its campaign to solicit political donations from the business community prior to the next lower house election, company officials said Monday [29 January].

Prime minister and LDP President Ryutaro Hashimoto appealed to hundreds of business community leaders last Tuesday to extend "moral and material support" to his party at an event organized by the LDP's key fund-raising body, the National Political Association.

The party was attended by about 300 business leaders and company executives.

An executive of a leading construction company said the LDP "will intensify its pressure on us to provide political donations."

Last December, the fund-raising body formed a panel of committee officials to hear policy recommendations from businesses.

A Federation of Economic Organizations (Keidanren) official criticized the new committee, saying that it "appears to be an instrument for putting pressure on Keidanren to resume its practice of mediating between various member companies and the LDP."

Keidanren Chairman Shoichiro Toyoda did not recommend any business leaders for the new panel, in a move seen as diminishing the prestige of the LDP-supported committee.

Keidanren Vice Chairman Hirotaro Higuchi earlier said the visions of Keidanren are similar to the policy objectives of the largest opposition party Shinshinto (New Frontier Party).

The general election of the House of Representatives is expected to be held by the end of this year under the new single-seat electoral system, which was introduced in 1994 to replace the current multiseat constituency system.

LDP Secretary General Koichi Kato criticized Keidanren for trying to hedge its bets on the balance of power



between the LDP and Shinshinto resulting from the next lower house election.

**Japan: Toyota, Union Vow To Hike Competitiveness**

*OW2701112496 Tokyo KYODO in English  
1036 GMT 27 Jan 96*

[FBIS Transcribed Text] Nagoya, Jan. 27 KYODO — Toyota Motor Corp. and its 63,000-member labor union on Saturday [27 January] inked a document committing both sides to cooperate in bolstering the company's international competitiveness and ensure stable employment.

At a ceremony commemorating the 50th anniversary of the founding of the labor union in the town of Miyoshi, Aichi Prefecture, Toyota President Hiroshi Okuda and labor union Chairman Susumu Jinno gave their signatures to the document entitled, "The Resolves of the Labor and Management Toward the 21st Century."

Jinno said in a speech at the gathering, "what Toyota needs now most is the spirit to take up a challenge as shown by (Los Angeles Dodgers) pitcher Hideo Nomo." Since last year, Nomo has appeared in Toyota advertisements to bolster the image of Toyota automobiles.

Okuda, in turn, told the labor unionists, "strenuous efforts by you, the unionists, contributed to a recovery in sales of Toyota automobiles last year."

**Japan: Paper Says Marubeni To Begin Desktop Publishing in PRC**

*OW2801040596 Tokyo KYODO in English  
0313 GMT 28 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 28 KYODO — Major trading house Marubeni Corp. will launch a desktop publishing operation in China, a business daily said Sunday [28 January].

The new company, to be established in Beijing later this week, will be a joint venture with Chicago-based Sunrise High Tech Service. It will give local companies a franchise to use the technology to produce printed materials such as catalogs and pamphlets, the NIHON KEIZAI SHIMBUN said.

Franchisees will receive desktop publishing equipment, which includes high-speed personal computers, display monitors, laser printers and scanners, the daily said.

The new company will have an initial capital of \$1 million, of which 57 percent will be provided by Sunrise, 38.7 percent by Marubeni and 4.3 percent by a Chinese-based holding company of Marubeni, the paper said.

The company will begin operations this spring and projects annual revenues of 5 billion yen in the third year of operation and more than 10 billion yen by the fifth year, and it expects the number of franchisees to rise to 300 by that time, the paper said.

Desktop publishing allows for the production of printed materials through the use of personal computers. Users of the technology are able to merge and manage text and graphics.

**Japan: Toshiba To Transfer VCR Operations to Singapore**

*OW3001083796 Tokyo KYODO in English  
0751 GMT 30 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 30 KYODO — Toshiba Corp. said Tuesday [30 January] it will move the headquarters of its videocassette recorder (VCR) business to Singapore on April 1 in a major reorganization of its global operations.

The major Japanese electronics maker said Singapore-based Toshiba Video Products Pte. (TVPP) will take on responsibility for product planning, development and design, and marketing as the strategic business center for its worldwide VCR operations.

The reorganization is part of the company's decision to establish a long-term, cost competitive global operation structure with all the responsiveness and flexibility required for a borderless business environment, the company said.

The company said its VCR production overseas has exceeded 90 percent of its total output.

TVPP will invest 28 million Singapore dollars (about 2 billion yen) in establishing Toshiba Video Products Japan Co. in Tokyo on April 1 as its wholly owned subsidiary for product planning, production, sales and marketing of VCRs in Japan, the company said.

Its capitalization will then be increased to 47 million Singapore dollars from 10 million Singapore dollars, the company said.

TVPP was established in February 1995 to engage in regional marketing, product development and design for export models of VCRs produced by Toshiba's joint venture in Singapore with Thomson of France, the company said.

The joint venture, International Video Products (IVP), has doubled its annual VCR production capacity from two million units to four million units between 1993 and 1995, becoming the largest VCR supply base for Toshiba, the company said.



IVP's products are exported to the United States, Europe and Asia.

**Japan: Hitachi, Fujitsu Expected To Expand Chip Production**

*OW2801040496 Tokyo KYODO in English*  
*0209 GMT 28 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 28 KYODO — Hitachi Ltd. and Fujitsu Ltd. will invest 100 billion yen each to boost semiconductor production, a major economic paper said Sunday [28 January].

The companies will begin building new plants in 1996 and will start production after evaluating the market demand for the chips at the time of the plants' completion, which is set for 1997, the NIHON KEIZAI SHIMBUN said.

The two-stage plan is designed to minimize investment risks in view of the possibility of a glut of chips remaining in the market after the current period of heavy demand subsides, the daily said.

Hitachi will construct a plant in Hitachinaka, Ibaraki Prefecture, that can produce three million 64-megabit Dynamic Random Access Memory (DRAM) chips a month, the paper said.

Combining the output from this plant with the expected output at plants already under construction, Hitachi will be able to turn out 10 million 64-megabit DRAM chips a month, it said.

Fujitsu will build a plant to manufacture flash memory chips, either in the U.S. state of Oregon or in Ireland, jointly with its U.S. partner Advanced Micro Devices Inc., the paper said.

**Japan: Printing Firm Reportedly Developed Low-Cost IC Card**

*OW2701015696 Tokyo KYODO in English*  
*0039 GMT 27 Jan 96*

[FBIS Transcribed Text] Tokyo, Jan. 27 KYODO — Dai Nippon Printing Co. has developed an integrated circuit (IC) card that can be produced at about 1-10th of current costs, paving the way for IC cards to become as popular as the widely used magnetic cards, an industrial paper said Saturday [27 January].

Carrying a general-purpose chip that can maintain information with a high degree of security, the new IC card can be made at a cost of about 200 yen a card compared to 1,500-2,000 yen under the conventional manufacturing method, the NIKKAN KOGYO SHIMBUN said.

It noted that while annual sales of magnetic cards stand at 400 million to 500 million cards, there are only two

to three million IC cards sold a year due to the high costs of developing the software individually for each card.

With Dai Nippon's development of the new software, demand is likely to be spurred for related hardware products such as data-reading devices, the paper said.

IC cards can hold more than 100 times more information than magnetic cards and have stronger security on the data than magnetic cards.

**North Korea**

**DPRK Agrees to IAEA Inspection of Nuclear Facilities**

*SK3001032596 Pyongyang KCNA in English*  
*0308 GMT 30 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — The delegations of the General Department of Atomic Energy of the Democratic People's Republic of Korea and the International Atomic Energy Agency (IAEA) held the fourth negotiation as regards the supervision of freezing nuclear facilities under the DPRK-U.S. agreed framework in Pyongyang and Nyongbyon from January 24 to 29.

The negotiation proceeded in a sincere atmosphere.

The DPRK side notified the IAEA side that it would allow the IAEA's routine and ad hoc inspections of unfrozen nuclear facilities as the DPRK and the U.S.-led KEDO signed an agreement on the supply of light-water reactors under the DPRK-U.S. agreed framework.

The IAEA delegation left here today by plane.

**DPRK: ROK Fishermen Who Defected to North Visit Mansu Hill**

*SK3001103096 Pyongyang KCNA in English*  
*1018 GMT 30 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — The crewmen of the South Korean fishing boat "707 Taeyong," who had defected to the North, called at the statue of the Great Leader President Kim Il-song on Mansu Hill here to pay respects to him.

They laid bunches of flowers and bowed before the statue, missing the president, the great sun and kind father of the nation who always thought of the fellow Koreans in the South.



❖ **DPRK: NDFSK Denounces ROK 'Nuclear Facilities' Plan**

*SK3001034796 Pyongyang KCNA in English  
0257 GMT 30 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — The Central Committee of the National Democratic Front of South Korea (NDFSK) on Saturday published a statement denouncing the plan of the Kim Yong-sam group to build large-scale nuclear facilities in Kosong County, South Korean Kangwon Province, Seoul-based radio Voice of National Salvation [VNS] reported.

The statement said the Kim Yong-sam group are trying to build in Kosong the nuclear facilities, which are rejected everywhere as they will cause calamities. This is a highhanded act of exterminating the fellow countrymen with a nuclear club and is tantamount to an open declaration of radioactive war against the North, it pointed out, and said:

It is a self-evident truth that if an unexpected armed conflict break out due to the intentional provocation of the Kim Yong-sam group, the people in the North and the South can never avoid the nuclear holocaust and the "civilian"-veiled traitors, too, will not be safe.

Kim Yong-sam, who is attempting to scorch world-famous Mt. Kumgang by building the facilities in a gateway to this mountain, is the most heinous traitor to the nation who would never be pardoned down through generations.

The entire people should turn out to bury the Kim Yong-sam group in the nuclear waste dump, the statement stressed, and said:

Driven into a corner within and without, the Kim Yong-sam group are seeking a way out in piling up radioactive substances like a nuclear timebomb under the very nose of the fellow countrymen and keeping the division of the country in a vicious cycle of confrontation between the North and the South. But it will only precipitate their disgraceful destruction.

They must, clearly seeing the angry looks in the eyes of the entire fellow countrymen, cancel the Kosong nuclear facilities project at once and step down from power woven with crimes immediately.

**DPRK: 'Antinuke' Committee Opposes ROK Nuclear Facility**

*SK2901113296 Pyongyang KCNA in English  
1007 GMT 29 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — The Korean anti-nuke peace committee

urged the Kim Yong-sam group to immediately give up the plan of building large-scale nuclear facilities, including nuclear power stations and waste dumps in Kosong County, South Korean Kangwon Province, near the Military Demarcation Line (MDL).

The committee in a statement today brands the plan as another grave provocation that seriously threatens the security of the North.

The statement says:

If nuclear power stations and waste dumps are built in this area, an area of sharp confrontation, an accidental conflict may lead to a nuclear scourge, the devastation of the whole of Korea and the extinction of the Korean nation.

The South Korean rulers must immediately give up this plan.

If the Kim Yong-sam group builds nuclear facilities in the area near the MDL despite warnings from the North, they will be wholly to blame for all the consequences.

We take this opportunity to express our hope that the anti-nuke peace organisations and peace-loving people around the world will pay deep attention to this plan of the Kim Yong-sam group and launch an international solidarity struggle against it.

**DPRK Denounces ROK Plan To Build Nuclear Facilities**

*SK3001102196 Pyongyang KCNA in English  
1001 GMT 30 Jan 96*

["Nuclear Maniac Hell Bent on National Extermination" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 30 (KCNA) — Schemings of the Kim Yong-sam group to build a nuclear waste depository as well as nuclear power plants in Kosong County, Kangwon Province of South Korea, are an anti-national crime of great danger, says MINJU CHOSON today.

The analyst says:

In case the large-scale nuclear facilities that will certainly be a source of national extermination is built near the Military Demarcation Line [MDL] and there is something wrong in the facilities, the damage will go beyond the boundaries of Korea. Kim Yong-sam group should put an immediate halt to the planned building of the nuclear facilities.

We will never allow the puppets to build the nuclear facilities that pose threats to our security and the existence of the nation.



**DPRK Denounces ROK Arms Buildup Aimed at  
'Invading' North**

SK2901063296 *Pyongyang Korean Central  
Broadcasting Network in Korean*  
1222 GMT 24 Jan 96

[Commentary by Yun Pyong-son: "Maneuver To Build  
Up Arms for Invading the North"]

[FBIS Translated Text] On 22 January, the South Korean puppets once again introduced the war equipment from the United States. The P-3C antisubmarine patrol plane which the puppets introduced carries out missions to search for submarines, offensive and early warning activities, and lay mines in the sea. By squandering a total of 680 billion won for the war equipment, the puppets have brought in eight antisubmarine patrol planes from the United States from April of last year up until now.

The puppets' maneuver to build up arms is being carried out under the pretext of the nonexistent threat from the North. The threat from the North which the puppets are babbling about is nothing but a sophistry to rationalize their adventurous maneuver to invade the North.

Today, South Korea is becoming an enormous war explosive warehouse and showcase of weapons which is filled with all kinds of murderous equipment ranging from conventional weapons to up-to-date large-scale murderous weapons, including nuclear weapons. However, even not satisfied with this, in the 1997-2001 national defense mid-term program, which was recently announced, the puppets decided to introduce the new type of U.S. made ground-to-ground and ground-to-air missiles, offensive helicopters, and various vessels by spending a total of 87 trillion won.

Also, war exercises to invade the North are being carried out everyday in South Korea. Even at this time, a large-scale joint U.S.-South Korea antisubmarine exercise is being carried out in a frenzied way in the West Sea [Yellow Sea] of Korea. As is shown, threat to invade the North alone, not threat to invade the South, exists on the Korean peninsula. Nevertheless, under the preposterous pretext of a threat from the North which even the South Korean people do not believe, the puppets are ceaselessly filling the war explosive warehouse with new war equipment. This clearly shows how much the puppets are heated up in the maneuver to build up arms for war provocation to invade the North. This also proves that the puppets' theory on the threat from the North is, in other words, the theory on war to invade the North.

It is an unchangeable ambition being pursued by the Kim Yong-sam ring to further accelerate and complete

preparations for war to invade the North under the pretext of the nonexistent threat from the North; and moreover, to try to provoke a war to invade the North along with outside forces. The reason the puppets once again introduced the P-3C antisubmarine patrol plane is, in part, one of the maneuvers of war provocations.

Not satisfied with changing the whole land of South Korea into a showcase of murderous weapons and driving the country's situation to the brink of war by frequently carrying out war exercises to invade the North by ganging up with outside forces, the Kim Yong-sam ring, which is brining in more war equipment, is truly a vicious nation-seller, enemy of reunification, and war maniac dreaming only of North-South confrontation, taking no notice of the fate of the country and nation.

Those who confront the crisis of death are certain to live. Since it has taken power, the Kim Yong-sam clique, which clung to the ideology of treacherous policies and which has been exposed as the accomplice of the secret fund scandal, has become the target of overthrow by the people. Thus, it is trying to find a way out of this by provoking a new war. There is no guarantee anywhere that this kind of fellows will not fire the fuse of invading the North. This is why the whole world today is expressing great worry over the puppets' reckless arms build up and war maneuvers.

The Kim Yong-sam ring is trying to obtain something from the maneuver to provoke a new war, but this is only a foolish fantasy. On the surface, it is talking about peaceful reunification and so on, but the Kim Yong-sam nation-selling clique is continuously moving toward the road of war. The people will by no means forgive him.

The puppets must correctly know that the maneuver to provoke a new war is the road to destruction of digging up their own graves.

**DPRK: Chairman of Overseas Headquarters of  
Pomminnyon Dies**

SK2701053796 *Pyongyang KCNA in English*  
0426 GMT 27 Jan 96

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — Mr. Yim Chang-yong, chairman of the Overseas Headquarters of the National Alliance for the Country's Reunification (Pomminnyon) and a veteran champion of reunification and democracy, died of sudden illness in the United States on January 25, 1996 at the age of 86.

His obituary was published on January 26 by the Central Committee of the Democratic Front for the Reunification of the Fatherland, the Committee for the



Peaceful Reunification of the Fatherland, the North side headquarters of Pomminnyon and the Korean Committee for Aiding Overseas Koreans.

The obituary said that Yim Chang-yong abroad took an active part in the patriotic movement for the democratisation of South Korean society and for the independent and peaceful reunification of the country after the country was liberated.

He conducted activities for independence, democracy and reunification against the military fascist dictatorship of South Korea for a long period, assuming important posts of overseas Koreans organisations including the adviser at the "American Federation of Koreans Movement", the obituary said, adding:

Aged as he was, he took an active part in the movement of Pomminnyon for the unity of the nation and the country's reunification as the chairman of the Overseas Headquarters of Pomminnyon.

#### **DPRK: ROK Citizens Rally at Japanese Embassy**

SK2701052796 *Pyongyang KCNA in English*  
0428 GMT 27 Jan 96

["S. Koreans Rally and Demonstrate" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — About 100 citizens and students affiliated with the "Measure Council for the Problem of Volunteers Corps" (Chongdaehyop) and the Seoul District Council of Representatives of Woman Students on January 24 held a rally in front of the Japanese Embassy in Seoul, which has been held every Wednesday for solution to the "volunteers corps" problem, according to a radio report from Seoul.

They handed an open letter demanding an open apology and reparation of the Japanese Government for the "volunteer corps" to the Japanese Embassy and went over to a street march.

The ralliers have been demanding an open apology and reparation for the crimes committed by Japan for the past four years.

They revealed that the Japanese Government is intending to cover up the essence of the historical crimes by shirking the responsibility onto civilians, saying "that it would create civil fund for reparation".

#### **DPRK Delegation Leaves for World Economic Forum Meeting**

SK2701120396 *Pyongyang KCNA in English*  
0921 GMT 27 Jan 96

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — An economic delegation of the Democratic People's Republic of Korea led by Yi Song-tae, chairman of the State External Economic Affairs Commission, left here today to participate in the annual meeting of the World Economic Forum to be held in Switzerland.

#### **DPRK Paper on Approach to Southeast Asian Nations**

OW2601124096 *Tokyo SANKEI SHIMBUN*  
in Japanese 23 Jan 96 Morning Edition p 4

[By Masashi Miyamoto]

[FBIS Translated Text] Bangkok, 22 Jan — North Korea (the DPRK) is giving impetus to its approach to Southeast Asian nations, with Bangkok, capital of Thailand, as the base for its moves. So far, North Korea has called on ASEAN to designate it as a "dialogue partner" of ASEAN and to allow it to take part in the ASEAN Regional Forum [ARF]. But its calls have not been accepted because of South Korea's opposition. It is observed that underlying Pyongyang's diplomatic approach to nations in Southeast Asia is the fact that Seoul has not only normalized its diplomatic relations with Laos but has also begun to approach Cambodia.

As the first target, the DPRK is making overtures to Burma, with which North Korea severed its diplomatic ties in 1983, when the Rangoon (present Yangon) bombing incident happened, wherein key South Korean figures were killed.

"THE NATION," an English-language paper published in Bangkok, reported that last year when Pyongyang was in a bad food situation, North Korea sent a delegation to Burma for negotiations on the purchase of rice. In response to North Korea's request, the Burmese Government answered positively. It seems that North Korea wanted to restore the long-ruptured diplomatic relations with Burma by establishing economic relations with Burma with the delegation's visit as a start, the paper said.

Actually, Burma invited the staff of the North Korean Embassy in Thailand to a 4 January ceremony sponsored by the Burmese Embassy in Thailand marking the 48th anniversary of Burma's independence. In this sense, observers see North Korea and Burma as taking a move toward normalizing their diplomatic relations.



with China, which has amicable relations with both North Korea and Burma, acting as a mediator.

In addition to Burma, the DPRK's diplomatic approach to other Southeast Asian nations has drawn greater attention from the nations concerned, when it appointed Yi Sam-no — who formerly served as the DPRK's chief delegate for negotiations in 1992 with Japan on normalizing diplomatic relations and as ambassador to Indonesia — as ambassador to Thailand.

Yi Sam-no is said to be close to Secretary Kim Chong-il of the Workers' Party of Korea [WPK]. Diplomatic sources in Bangkok analyzed: "North Korea wants to set Bangkok as the base for its diplomacy toward Southeast Asia nations by sending a big-shot ambassador. Yi's mission is to normalize North Korea's diplomatic relations with Burma and establish new relations with Brunei and the Philippines." The sources added that "the dispatch of WPK members to its embassy in Thailand as security officers last year reflects the fact that Pyongyang is strengthening its diplomatic base," thus stressing that North Korea attaches importance to Bangkok.

Such a diplomatic offensive by North Korea reflects North Korea's irritation with its difficulties in becoming an ASEAN dialogue partner and a member of the ARF, which has given membership to South Korea together with Japan, the United States, and China. South Korea not only succeeded last October in normalizing its diplomatic relations with Laos — which has traditionally had amicable relations with North Korea — but is also seeking to establish diplomatic relations even with Cambodia — which established amicable relations with North Korea under the personal relationship between King Sihanouk and the late DPRK President Kim Il-song. It is observed that when it came to know this, North Korea had no choice but to take such counter-measures as making a diplomatic approach.

However, in spite of such a diplomatic offensive by North Korea, diplomatic sources in Rangoon pointed out: "Burma will not gain anything positive even if it normalizes diplomatic ties with North Korea. The Burmese Government is negative about restoring its relations with the DPRK, and the recent contact was made just because of Pyongyang's circumstances." In this way, it is observed that North Korea's isolation will not be dissolved so easily.

#### **DPRK, Japanese Sportsmen Friendship Gathering Held**

*SK2901054996 Pyongyang KCNA in English  
0516 GMT 29 Jan 96*

[FBIS Transcribed Text] Tokyo, January 27 (date as received) (KNS-KCNA) — A new year's friendship gathering of Korean and Japanese sportsmen was held in Tokyo on January 26.

Present at the gathering sponsored by the Korean Physical Culture and Sports Federation in Japan were O Hyong-chin and Kim Su-sik, vice-chairmen of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), Yushiro Yagi, managing director of the Japanese Olympic Committee, and others.

Addressing the gathering, Paek Chong-won, chairman of the federation, said that friendship between Korea and Japan has deepened with the Pyongyang International Sports and Cultural Festival for Peace held in the DPRK last year as an occasion.

This friendship will grow stronger through colorful events, to be arranged by Chongnyon this year, he said.

#### **DPRK: Yang Hyong-sop Greets Indian Parliamentarians**

*SK2601225596 Pyongyang KCNA in English  
1035 GMT 26 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — Yang Hyong-sop, chairman of the Supreme People's Assembly of the Democratic People's Republic of Korea, sent messages of greetings respectively to the chairman of the Council of States and the speaker of the House of the people of India on the occasion of the day of the Republic of India, the national holiday of its people.

The messages hoped for a greater success in the work of the parliament for the independent development and prosperity of the country and for development of the friendly and cooperative relations forged between the parliaments of the two countries on better terms in the interests of the two peoples.

#### **DPRK: Kang Song-san Greets Indian Prime Minister**

*SK2801081296 Pyongyang KCNA in English  
0647 GMT 28 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA) — Kang Song-san, premier of the Administration Council of the Democratic People's Republic of Korea, sent a message of greetings to P.V. Narasimha



Rao, prime minister of the Republic of India, on the occasion of the Day of the Republic.

The message expressed the belief that the good relations of friendship and cooperation between the two countries would further strengthen and develop and wished him greater success in his work for the independent development and prosperity of the country.

#### **DPRK Vice Premier Kong Chin-tae Meets Bulgarian Delegation**

*SK2601225696 Pyongyang KCNA in English  
1037 GMT 26 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 26 (KCNA) — Vice-Premier of the Administration Council of the DPRK Kong Chin-tae today met and had a friendly talk with a Bulgarian Government economic delegation led by Vice Minister of Trade and Foreign Economic Cooperation Ivan Belchev.

Saying that he highly estimated the guiding idea and conceptions of Comrade Kim Il-song and Comrade Kim Chong-il, the great leaders, the head of the delegation stressed: The successes of the Korean people are excellent.

He hoped for greater success of the Korean people and for further development of the cooperation between the two countries.

During staying in Korea, the delegation inspected the three revolution exhibition and the West Sea Barrage and appreciated an acrobatic performance in the Pyongyang Circus.

#### **DPRK: Kim Yong-nam Meets Danish Foreign Ministry Delegates**

*SK2901115696 Pyongyang KCNA in English  
1044 GMT 29 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — Vice-Premier and Foreign Minister of the Democratic People's Republic of Korea Kim Yong-nam today met and had a friendly talk with a delegation of the Danish Foreign Ministry led by Ole Lensman Poulsen, secretary of state.

#### **DPRK-Yemen Friendship Association Formed**

*SK2701084296 Pyongyang KCNA in English  
0757 GMT 27 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — An inaugural ceremony of the Yemen-Korea Friendship Association was held on January 19 on the occasion of the birthday of the Great Leader Comrade Kim Chong-il.

Minister of Culture and Tourism of Yemen Yahya Husayn al-'Arashi was elected chairman of the association and the Editor-in-Chief of the newspaper As-Rai al-Aam, Ali Muhamed al-Olofi, secretary general of the association. [newspaper, editor-in-chief's names as received]

The rules of the association were also adopted at the ceremony.

A message of greetings to Comrade Kim Chong-il was adopted at the ceremony.

#### **DPRK: Kim Chong-il Receives Greetings From Foreign Leaders**

*SK2701052696 Pyongyang KCNA in English  
0400 GMT 27 Jan 96*

[Names of party leaders as received]

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — The great leader Comrade Kim Chong-il received messages of greetings from Askar Akayev, president of Kyrgyzstan; Noor Hassanali, president of Trinidad and Tobago; Owen Arthur, prime minister of Barbados; Manuel Esquivel, prime minister of Belize, and Edison James, prime minister of Dominica, on the occasion of the new year 1996.

Comrade Kim Chong-il also received messages of greetings from foreign party leaders on the occasion.

They include Keshar Jung Rayamajy, chairman of the Democratic Socialist Party of Nepal; Devendra Mishra, general secretary of the Nepal Sadbhavna Party; A. F. M. Mahbubul Huq, convenor of the C.C. [Central Committee], the Socialist Party of Bangladesh; Garib Newaz, president of the Bangladesh People's League; Ngoy Nduba, secretary general of the Lumumba Democratic Party of zaire; Abdallah Al Shahal, secretary of the Lebanese Regional Leadership of the Arab Socialist Baath Party; Michael Hicks, general secretary of the Communist Party of Great Britain; Johan Fruehwirth, chairman of the Justice Party of Austria; and Vincent Cabrera, acting leader of the February 18th Movement of Trinidad and Tobago.

The messages extended the warmest congratulations to Comrade Kim Chong-il on the new year and wished him a long life in good health.

They expressed the belief that the Workers' Party and the people of Korea would, under the wise leadership of Comrade Kim Chong-il, achieve success in their endeavours for socialist construction and national reunification.



**DPRK: Kim Chong-il Thanks SYL Units, Members**  
*SK2901042396 Pyongyang KCNA in English*  
*0354 GMT 29 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to the South Hamgyong Provincial Committee of the Kim Il-song Socialist Youth League (SYL), SYL members and other young people of the Nakwon Machine Complex and the Ministry of Railways, the primary organisation of the Kimchongilia Green House under the SYL Primary Committee in the central botanical garden and other units and members of the SYL for their exemplary role in preparing loyal gifts on the occasion of the 50th anniversary of the League of Socialist Working Youth of Korea.

He also thanked Kim Kum-sok, chairman of the Committee of the Children's Union (CU) in the Hotong Senior Middle School in Kim Chaek City, North Hamgyong Province; Kye Chol-yong, chairman of the CU Committee in the Sinpo Senior Middle School in Sinuiju city, North Pyongan Province; Pak Song-ho of the Pukchang Railway Corps; and Kang Sin-ok, secretary of a primary organisation of the Tokudae-ri Primary Committee of the SYL in Toksong County.

**DPRK: KPA Athletes Honored, Taught by Kim Chong-il**

*SK2961104496 Pyongyang KCNA in English*  
*1007 GMT 29 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — Sports groups of the Korean People's Army (KPA) are prestigious in the nation.

The Great Leader Comrade Kim Chong-il recently received KPA athletes and their coaches and highly appreciated their successes at the first world military games. He told them to further their training with matchless courage and confidence in victory so that they can demonstrate the honour of the homeland of chuche at all international games.

He gave them precious gifts and had a picture taken with them.

KPA athletes won eleven gold, nine silver and five bronze medals at the world military games held in Italy last September. Thus, they demonstrated the invincible might of the heroic KPA all over the world once again.

The KPA athletes owe their successful performances at international games to the wise and energetic leadership of their respected supreme commander, Comrade Kim Chong-il.

He worked out a far-reaching plan to improve the sports of the KPA and formed a model sports group in the KPA a long time ago. He has strengthened military sports groups into a powerful base and a model base for the development of physical culture and sports of the nation.

He first built up a football team as a model. Then, he formed a women's volleyball team and trained it into a worldwide strong team. Later, he took measures to form more athletic teams in the April 25 sports group systematically.

He paid great importance to the development of defence sports. He has strengthened the April 25 defence sports group into a parental base for the nation's defence sports and the strongest sports group in terms of performance and equipment.

In the period up to 1990 after its inauguration, the sports group dispatched its teams to 125 international games, where it won more than 70 trophy cups and 600 medals including some 230 gold and renewed 23 world or Asian records.

Comrade Kim Chong-il gave on the spot guidance to the April 25 sports group and the April 25 defence sports group on more than a hundred occasions with deep affection for the development of the sports of the KPA.

**DPRK: Italian Institute Official Recalls Kim Il-song**  
*SK2901112296 Pyongyang KCNA in English*  
*0916 GMT 29 Jan 96*

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — Giancarlo Elia Valori [name as received], secretary general of the Italian Institute of International Relations, recalled his significant meetings with the respected leader President Kim Il-song and expressed infinite respect and reverence for him, during his recent visit to Korea.

Referring to his visit to Kumsusan Memorial Palace, he said he had been anxious to see, as soon as possible, the great president, who would be waiting for him.

When he saw the president lying in state, he felt as if the president would get up and take his hands and so he was reluctant to leave the palace, he noted.

He recalled that in his meeting with him on a visit to Korea in January 1975 President Kim Il-song said the present era is the era when the peoples of the whole world are advocating independence and asked him to join in the struggle for victory of independence. Later the president met with him on scores of occasions, he said.



The president met with him in the last year of his life and gave instructions of faith and courage to him, he said.

He further said:

The heart of the great president stopped beating, but he remains with us. The president, lying in state at Kumsusan Memorial Palace, meets many friends around the world and encourages humankind to justice and progress as he did in his lifetime.

He was a tender-hearted man with the love for humanity. The president had warm conversations with us and gave a luncheon for us and gave us gifts of love during our stay in Korea.

His benevolent embrace was a great embrace in which not only the Korean people but also the progressive mankind of the whole world lived.

He was the greatest of great men, who was possessed of all virtues and qualities befitting a great man.

Any one who met with the great President Kim Il-song was struck with admiration at his warm love for the country and people, his scientific insight into the various international issues and his rare wisdom.

The president turned Korea into a powerful socialist country that no one dare provoke, pulling through manifold difficulties with his rock-firm faith and will.

He was a great statesman, who led the world.

A long time ago he talked about the ideological crisis of East European countries and foresaw the changes and events that are now taking place in the world.

As mentioned above, he had a clairvoyant foresight in which no one could match him.

Not a small number of great men are in the world history.

But, the world history does not know such an outstanding world-famous leader and distinguished statesman as the great President Kim Il-song.

Great, indeed, are the feats he performed for his nation and humankind.

As his idea is immortal and his love for mankind is great, all people will speak highly of him as their eternal father.

#### **DPRK: Picture Album on Kim Il-song Published**

*SK2901112096 Pyongyang KCNA in English*  
0909 GMT 29 Jan 96

[FBIS Transcribed Text] Pyongyang, January 29 (KCNA) — The cultural preservation agency of Korea

recently published a picture album "Lake Chon on Mt. Paektu".

Printed in the picture album are a picture of the respected leader President Kim Il-song, the eternal sun of chuche, and the Great Leader Comrade Kim Chong-il, standing by the Lake Chon on Mt. Paektu, and the immortal revolutionary paean "Song of General Kim Il-song".

It also carries pictures showing Mt. Paektu, the sacred mountain of revolution, as a whole, which were taken on Changgun, Hyangdo, Ssangmujigae and other famous peaks according to the season and time so that people can feel "mysterious phenomena" on Mt. Paektu. And it introduces animals and plants growing in the area.

Besides, edited in the album are relics (dolmen) on the shore of the Lake Chon, a guide to the lake and general data on its explorations.

#### **DPRK: Christian Delegation Leaves for Macao**

*SK2701120696 Pyongyang KCNA in English*  
0922 GMT 27 Jan 96

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — A delegation of the Korean Christians Federation led by Kang Yong-sop, chairman of its Central Committee, left here for Macao today.

#### **DPRK Reports Day of Buddhism Celebrated Throughout Nation**

*SK2801064196 Pyongyang KCNA in English*  
0624 GMT 28 Jan 96

[FBIS Transcribed Text] Pyongyang, January 28 (KCNA) — Masses for the day of Buddha's attainment of great wisdom were held at temples throughout Korea on Saturday.

The masses were attended by clergymen of the Central Committee of the Korean Buddhists Federation and its provincial, city and county committees, monks of temples and believers.

Rites took place at the masses, which were followed by preaches and speeches.

The preachers and speakers said the three principles of national reunification, the 10-Point Programme of the Great Unity of the Whole Nation and the proposal for founding the Democratic Confederal Republic of Koryo, which were advanced by respected President Kim Il-song, are a banner of genuine patriotism and a most just and reasonable reunification programme common to the nation.

They noted that the entire fellow countrymen, with firm stand of national independence, should frustrate the Kim



Yong-sam group's traitorous flunkeyist behaviours of depending on outside forces so as to resolutely defend the dignity and independence of the nation.

Saying the basic guarantee for independent and peaceful reunification is the great unity of the whole nation, they pointed out that, to this end, a vigorous struggle should be waged for the repeal of the "National Security Law", an anti-national and anti-reunification evil law in South Korea, which hinders the nation's reconciliation and unity and for the removal of the concrete wall.

They called upon the entire fellow countrymen to turn out as one in the struggle to found a confederal state, independent, peaceful and neutral which is based on one nation, one state, two systems and two governments.

They stressed that as long as there is the most just reunification programme set forth by President Kim Il-song, the great father of the nation, and respected General Kim Chong-il wisely leads the nationwide struggle for national reunification, the historical cause of national reunification and the Buddhists' idea of getting rid of the pain and attaining happiness will be achieved without fail.

**DPRK Daily Denounces 'Bourgeois Morality' as 'Individualistic'**

*SK2701043196 Pyongyang KCNA in English*  
*0415 GMT 27 Jan 96*

["Bourgeois Morality Is Extremely Individualistic Morality" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, January 27 (KCNA) — NODONG SINMUN Friday [26 January] in a by-lined article revealed the anti-popular and reactionary nature of bourgeois morality loudmouthed by the imperialists.

Defining extreme individualism and egoism as a source brewing all manners of social evils and corruption, the article noted that the bourgeois morality based on this idea can never be a noble and sound one.

It is extremely individualistic morality to resort to appeasement and deception, swindle and fraud, feather one's own nest at other people's expense and seize the power of money and live a gay life by means of costing others.

Extremely individualistic morality causes enmity and bloody strife even among parents, wives, sons and daughters, brothers and sisters for the sake of profits.

It is massively expressed in harsh exploitation and oppression of man by man, fierce scramble for markets and strife for power prevailing in the capitalist world.

Now the imperialists are speaking ill of the most superior socialist morality, which represents the intrinsic nature and desire of man, and preaching as if the reactionary bourgeois morality were respecting the "personality" and "will" of people.

But, with no sophism, they can conceal the anti-popular and reactionary nature of the bourgeois morality, extremely individualistic morality based on the bourgeois idea.

**South Korea**

**ROK: Neutral Nations Body Meets at Panmunjom**

*SK3001120196 Seoul YONHAP in English*  
*1139 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — The Neutral Nations Supervisory Commission (NNSC), the Korean Armistice's watchdog, met at Panmunjom on Monday and Tuesday to discuss NNSC programs.

The United Nations Command in Korea reported that the meeting emphasized that the NNSC continues to constitute an integral part of the Korean Armistice.

The NNSC meeting was attended by delegations from three member countries — Poland, Sweden and Switzerland.

The UNC report said that the attending delegations expressed concern about the present statelmate within the mechanism of the armistice, calling upon both sides to overcome the situation in a constructive manner.

The meeting also reiterated the NNSC's preparedness to render their good offices to promote dialogue if any side wishes to make use of them.

The next NNSC plenary meeting is tentatively set to be held in May this year, the UNC said.

**ROK Daily on Reasons for Clinton's Planned Apr Visit**

*SK2801123196 Seoul CHUNGANG ILBO in Korean*  
*28 Jan 96 p 3*

[Report by Washington-based correspondent Chin Chang-uk: "Background and Significance of Decision by U.S. President Clinton To Visit ROK"]

[FBIS Translated Text] At the end of last year, the U.S. Government announced in a blitzkrieg manner U.S. President Bill Clinton's plan to visit Japan and Russia. Breaking the usual practice of announcing plans for a U.S. President's visit to a foreign country one or two months beforehand, the U.S. Government officially announced the visit four months in advance. This has led



to the observation from some people that in announcing the plan as it did, the U.S. Government might have been considering Japan's unstable political situation and Russia's ruling quarters.

However, the government that was truly put on emergency alert by this announcement was our government. It has been learned that since then our government has mobilized all its diplomatic capabilities in an attempt to realize a visit by Clinton to the ROK.

It has been learned that the White House, which did not consider the President's visit to the ROK even slightly at first, was embarrassed by the unexpected request by the ROK Government. However, with North Korea's food shortages recently emerging as a serious international problem, the United States began to affirmatively review a visit by President Clinton to the ROK.

Thus, it is presumed that last week the special meeting of the National Security Council [NSC], which would play the leading role in deciding whether President Clinton visits the ROK, recognized the need to strengthen the cooperative system between the ROK and the United States.

It is significant that such a change in the position of the White House reflects President Clinton's sincere and prudent attitude toward the request of the ROK Government. President Clinton will visit the ROK for only six hours on his way to Russia immediately after visiting Japan and while here will discuss impending issues including rice aid to North Korea.

People also observe that Clinton's decision to visit the ROK indicates the view broadly held within the U.S. Government that "the ROK is no longer a nation which can be treated lightly."

April 1996 will be a very important time for President Clinton. It will be a time when impending domestic issues come to a head, including competition for the Democratic Party presidential nomination. At this time, visiting Japan and Russia itself would burden him. This being the case, it appeared to be very difficult for the White House to decide the President's visit even to the ROK.

On the other hand, however, the NSC has likely judged that the President's visit to the ROK, located in between the two countries, will be beneficial to the U.S. national interest by demonstrating the U.S. interest in ROK security internally and externally. People believe that this judgment had a positive effect in determining the President's ROK visit.

Diplomatic observers in Washington believe that the agenda to be discussed during the ROK-U.S. summit

will be threats to the security of the Korean Peninsula that could come as a result of North Korea's food shortages, and preventing the present stability of the Korean Peninsula from being broken. They also observe that the summit will discuss impending issues by going beyond the ordinary ROK-U.S. security cooperation system. In other words, reconfirmation of the U.S. security commitment to the ROK, checking possible North Korean miscalculation through reconfirmation of this commitment, and the issue of advance warning against tension to be possibly created on the Korean Peninsula as a result of North Korea's food problem would be important pending issues to be discussed during the summit.

### **ROK Daily Urges Preparations for U.S. Trade Pressure**

*SK2901102196 Seoul MAEIL KYONGJE SINMUN  
in Korean 29 Jan 96 p 3*

[Editorial: "Conditions for Trade With the United States Are Likely To Become More Difficult"]

[FBIS Translated Text] Since the beginning of the new year, U.S. trade pressure has been increasing. It has been learned that the list of cases of unfair trade practices collected by the U.S. Trade Representative [USTR] from business circles within the United States include 19 categories from our country. Among these 19 categories are automobiles, communications equipment, intellectual property, and agricultural products. Of course, as far as the items themselves are concerned, most of them have been items of mutual interest to the ROK and the United States, which the United States has attempted to find fault with in the past. Thus, the items themselves will not be subject to heated arguments.

However, the recent trend indicates that overall U.S. trade policies have begun to take on a harder line as the November 1996 presidential election has neared. Considering this trend, special measures by us are necessary. The fact that U.S. trade pressure on us will become more fierce this year than last has already been acknowledged by various forecasting organizations and policymaking authorities. Whenever elections are to be held in the United States, the large U.S. trade deficits become a hot issue, being subject to intensive attack by the opposition party without fail. It is clear that this issue will be a burden to the Clinton Government also this year.

This being the case, it is highly likely that the United States will further intensify its trade policy in an effort to pioneer and expand its export markets and that it will mobilize all trade pressure surrounding the pending issues which have come into question in the



past. Concrete moves for this were seen in the recent establishment of the organization for surveillance of implementation of trade agreements [MEU] [English acronym as published]. We may point out that the U.S. plan not to relax its pressure concerning even already-concluded agreements was mapped out in consideration of its own business circles, who represent an important bloc of voters.

From the standpoint of looking after its business circles, the USTR will likely include most of the cases of unfair transaction practices, which it collected from U.S. business circles, in the trade barrier report [NTE] [English acronym as published] to be submitted to the Congress. Thus, the USTR will increase pressure on us by showing cases of unfair transactions by us as matters subject to application of the Super-301 rules. As such, it is very important and urgent for us to map out appropriate measures to cope with this.

At the same time, this year the government should display an active and offensive attitude in a bid to rectify the erroneous U.S. way of thinking that the ROK is always weak to U.S. pressure. Automobiles, negotiations on which were believed to have already been settled, still remain as an issue of discord. Besides, semiconductors, agricultural products, and intellectual property rights have now emerged as a trade dispute. All this shows that an offensive change in our trade strategy is urgently required. For this, we should prepare ourselves thoroughly and sufficiently based on timely and accurate information. Our future negotiations should be carried out in such a way as to do more than just give, doing away with past practice in negotiations where we merely offered things unilaterally.

#### **ROK: DPRK Decides Not To Attend U.S. Economic Seminar**

*SK3001005496 Seoul KBS-1 Radio Network  
in Korean 2300 GMT 29 Jan 96*

[Report by Washington-based correspondent Pak Won-hun]

[FBIS Translated Text] The North Korean delegation headed by Yi Hyong-chol, director of the Americas Division of the North Korean Foreign Ministry, which was supposed to attend a seminar on North Korean economic development in Washington on 5 February, abruptly expressed today its intention not to visit the United States.

The North Korean side, through its UN mission, today informed the U.S. International Economic Institute, the organization hosting the event, of its decision not to attend the seminar.

The reason North Korea gave for not attending the seminar was that the United States continues its policy of enmity [choktae chongchaek] against North Korea without taking additional steps to ease economic sanctions on North Korea and continuing to restrict travel of North Korean UN mission personnel in the United States.

This is the second time the North Koreans have said they will not attend a seminar, after doing the same thing last December. The U.S. International Economic Institute said it will cancel all plans for the seminar as it no longer wants to hold a seminar with the capricious [pyondoksuroun] North Korea.

North Korea's abrupt refusal to have its delegation visit the United States is interpreted as a North Korean strategy in its negotiation with the United States aimed at carrying through its assertions by taking a tough stance in matters related to the United States. Diplomatic sources view that North Korea intends to particularly secure food aid to North Korea through such a tough external stance.

#### **ROK Daily: U.S. Trying To Find Ways To Give Rice to DPRK**

*SK2901052096 Seoul HANGYORE SINMUN  
in Korean 29 Jan 96 p 1*

[Report by correspondent Chong Yon-chu]

[FBIS Translated Text] It was learned on 29 January that at the ROK-U.S.-Japan high-level political consultative meeting held in Hawaii last week, the ROK asked the United States not to provide rice to North Korea before the ROK general elections in April. A source in Washington said that the ROK notified the United States of its preference on the timing of rice assistance and its opposition to rice assistance under Section 480 of the U.S. Public Law.

This source also said that the United States virtually made the decision to provide assistance to North Korea and has been trying to find a way to do so. He also said that the United States has been trying to find a way to provide grain to North Korea without congressional approval.

In connection with this, after the talks were over, through a diplomatic channel, Winston Lord, assistant secretary of state for East Asian Asia and Pacific affairs, said to the ROK Government: "We cannot understand why the ROK Government is opposed to assistance to North Korea under Section 480 of the U.S. Public Law. Therefore, we are examining another way to provide assistance to North Korea."

The Washington source also said: Considering the ROK Government's opinion about the timing and method, the



U.S. Government is trying to find a way to provide assistance to North Korea without provoking opposition from the ROK Government. This source predicted that the issues concerning U.S. rice assistance to North Korea and President Clinton's visit to the ROK will be resolved through a compromise. He also said: Even though no decision has been made about Clinton's visit to the ROK, the ROK Government will comply with the U.S. view on rice assistance, and Clinton will agree to visit the ROK.

#### **ROK Official Comments on Defection of DPRK Diplomats**

*SK3001020796 Seoul KBS-1 Radio Network in Korean 2300 GMT 29 Jan 96*

[FBIS Translated Text] Mr. Hyon Song-il, third secretary of the North Korean Embassy in Zambia who defected to an ROK Embassy on 23 January following the defection of his wife, Mrs. Choe Su-pong, is expected to arrive in Seoul this afternoon.

After the defection of Mrs. Choe and others, it has been learned that North Korean diplomatic missions, including the one in Zambia, are virtually paralyzed due to inefficient operations caused by financial difficulties, among other things. Reporter Yi Hyon-chu reports:

[Begin Yi recording] Mr. Hyon Song-il, husband of Mrs. Choe Su-pong, defected on 23 January, less than three weeks after his wife defected on 7 January. Considering that three elite members of the same North Korean embassy have defected one after another, operations of North Korean diplomatic missions abroad seem to have virtually come to a halt.

A government official concerned said that it has been confirmed that the North Korean diplomatic missions abroad have long suffered from financial difficulties without receiving funds remitted from the North Korean authorities, and that their morale is very low owing to rebukes from Pyongyang and surveillance over them.

It has been learned that in the case of the North Korean Embassy in Zambia, in the wake of Mrs. Choe's defection, the North Korean ambassador to Zambia and other senior officials of the embassy were summoned to Pyongyang, which is considered by the North Korean diplomats as a heavy penalty comparable to a death sentence —paralyzing the embassy's operations.

Therefore, in spite of the fact that five public security officials were added to the embassy and surveillance was intensified, they were unable to block Mr. Hyon's defection.

Mr. Hyon Song-il has already left Zambia and is heading for the ROK via London, and is expected to arrive in Seoul this afternoon.

The government official said that the defection by top-class elite members of the North Korean hierarchy, such as Mr. Hyon, shows that the North Korean power structure is crumbling. [end recording]

#### **ROK: DPRK Defector's Father Absent From Party Meeting**

*SK3001053496 Seoul YONHAP in English 0246 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — The chief of the North Korean Workers Party in South Hamkyong Province, Hyon Chol-kyu, failed to appear at an official ceremony Jan. 4, three days before his daughter-in-law Choe Su-pong sought asylum at the South Korean Embassy in Lusaka, Zambia, a Unification Ministry official said Tuesday.

Hyon, 66, is the only provincial party chapter head who failed to attend mass rallies held in North Korea's provincial capitals to encourage people to carry out instructions given by North Korean leader Kim Chong-il in his New Year's address, the official said.

"It is rare for the head of a provincial party chapter not to attend an official event to mark Kim Chong-il's New Year instructions," he said.

"We can interpret that as a sign of something wrong with Hyon," he said, but added that "it's not certain whether Hyon's absence has something to do with the recent series of defections (son Song-il and daughter-in-law Choe Su-pong)."

Hyon Chol-kyu last appeared publicly at a timber processing factory meeting in Hamhung Nov. 29, to give an award of appreciation to the factory on behalf of the North Korean Workers Party Central Committee, he said.

North Korean media meanwhile reported that Hyon Chol-kyu's younger brother Chol-hae, a North Korean Army four-star general in charge of logistics, made a public appearance last Saturday.

North Korea's central broadcasting station said, in a report on Kim Chong-il's reception for military athletes and their leaders, that Hyon Chol-hae and other military leaders attended the meeting.

Others who attended the event include General Political Bureau Director Cho Myong-nok and Chief of General Staff Kim Yong-chun.



**ROK: North Korean Defects, Arrives in Pusan via Thailand**

*SK2901080996 Seoul KBS-1 Radio Network in Korean 0700 GMT 29 Jan 96*

[Report by KBS Pusan Bureau]

[FBIS Translated Text] While North Koreans are seeking asylum or defecting to the South in succession, another North Korean has arrived in the ROK through Pusan Port. At around 1300 this afternoon, a North Korean known as Pae arrived in Pusan via an 8,200-tonne container ship named Hung-a Bangkok, which is owned by Hung-a Shipping Company.

He is being investigated by the Agency for National Security Planning and related agencies. Pae's occupation and motive for defecting is unknown. Pae reportedly sneaked into the Hung-a Bangkok while it was anchored in Bangkok, Thailand.

**ROK Details Defection by DPRK Stowaway in Bangkok**

*SK2901082596 Seoul YONHAP in English 0803 GMT 29 Jan 96*

[FBIS Transcribed Text] Pusan, Jan. 29 (YONHAP) — A stowaway of a container-cargo ship which arrived here Sunday declared himself to be a defector from North Korea and is now under investigation by government authorities.

The Pusan Regional Maritime and Port Administration office said Monday that the stowaway, who identified himself as Pae In-su, 29, of Nampo, North Korea, was discovered in the 8,273-ton Hung-a Bangkok, a Hung-a Shipping Co. container ship after it arrived here Sunday afternoon.

Officials from the Agency for National Security Planning, the immigration office and police are questioning him about why and how he fled the North.

He was quoted as saying he had often traveled to Hong Kong and Bangkok working as a member of North Korea's foreign exchange-earning company before he decided to defect to South Korea.

The Hung-a Bangkok left Bangkok on Jan. 20 and made a stop in Hong Kong before its arrival in Pusan.

The stowaway is believed to stow himself in the ship at either Bangkok or at Hong Kong, and the ship's crew, including captain Ho Kum-yong, 50, are being queried about how he got into the ship.

**ROK: Four North Koreans Defect Via Third Country**

*SK3001103296 Seoul YONHAP in English 1018 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — Four North Korean men who had been staying in a third country after escaping the North flew into Seoul Tuesday in defection, the Agency for National Security Planning reported.

The agency identified the defectors as Yi Song-hyon, age 40, formerly a driver at a Russian work site of the North's Taedonggang Construction Co.; and Nam Su, 38, a manager at the Onsong Umbrella Plant.

The two others were Hong Chin-hi, 27, a guidance officer at a fishery project base of the People's Army 7th Corps; and Kim Chong-yong, 26, a worker at the Third Chaeryong Sanatorium, it said.

**ROK Details Defection of 3d DPRK Diplomat in Zambia**

*SK2901105596 Seoul YONHAP in English 1027 GMT 29 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP) — North Korean diplomat Hyon Song-il decided to defect to the South Korean Embassy in Lusaka last Tuesday when he felt he might be recalled home to be punished for defection of his wife Choe Su-pong to Seoul a week earlier, a Foreign Ministry official said Monday.

"As far as I know, Hyon must have felt that he cannot be safe when recalled to Pyongyang," he said. "That feeling must have compelled him to make desperate efforts to follow his wife Choe to South Korea."

Hyon knew he cannot join his two children, 6 and 9 in age, in the North even though he returns to Pyongyang, the official said.

The official, however, would not elaborate on how Hyon could slip out of the North Korean Embassy in Lusaka which reportedly tightened security in the wake of the defection of his wife Choe and Cha Sung-kun, a North Korean martial arts instructor in the African state who actually worked as a secret agent for a North Korean intelligence agency.

"We, however, can assume that Hyon might have wanted to mislead the North Korean Embassy in Lusaka when he held a press conference on Jan. 18, two days after his wife Choe arrived in Seoul, to claim that South Korea kidnapped Choe," he said.

At that time, Hyon also denounced the Zambian Government for allegedly failing to protect North Korean diplomats in its territory.



Cha has said, according to Agency for National Security Planning (NSP) interrogators, that he was waiting for Hyon to come out of the North Korean Embassy in Lusaka for about half an hour just before he drove to the South Korean Embassy there.

Cha defected alone because Hyon failed to meet their appointment to join in his car in front of the North Korean Embassy for defection, according to the NSP.

Hyon was originally quoted by Cha as saying that he would defect to the British Embassy in Lusaka.

The official, however, said that he does not have any information on whether Hyon first sought asylum at the British Embassy.

South Korean officials had initially assumed that Hyon might have been caught getting out of the North Korean Embassy for defection.

Hyon was transferred to the Zambian Government for security reasons immediately after he visited the South Korean mission in Lusaka to express his will to defect to Seoul, the official said.

He will be taken to a third country by Zambian guards for reasons of safety, the official said.

The Foreign Ministry expressed thanks to the Zambian Government for taking due procedures for helping Hyon seek asylum in accordance with the international law and practices.

"We were confident that the Zambian Government would make a sound judgement in dealing with the Hyon case," he said.

The official said that South Korea did not want to show the world community that the two Koreas were confronting in Africa on the defection issue, adding "that's why we did not reinforce our manpower in the Lusaka mission, although some of staff members in Johannesburg flew to Lusaka.

"The odd thing is that North Korea has yet to denounce the Zambian Government for the handover of Hyon to South Korea," he said. "We believe that the North Korean Embassy knew that such denunciations did nothing to their benefits in the previous cases involving Choe and Cha."

He added that during the Jan. 18 press conference the North Korean Embassy denounced the Lusaka Government so strongly that the Zambian Government must have felt humiliation.

"The North Koreans seem to have considered the feelings of the Lusakan Government in dealing with the Hyon case," he said.

Hyon, in charge of public relations at the North Korean Embassy, will be the second North Korean diplomat to defect to Seoul. Ko Yong-hwan, counselor at the North Korean Embassy in Congo, defected to Seoul in June, 1991.

Graduate of Kim Il-song University's English Department, Hyon is a son of Hyon Chol-kyu, head of the North Korean Workers Party in South Hamgyong province. Hyon's uncle on the father's side is a four-star army general in charge of logistics in the rear area.

#### **ROK: Third DPRK Defector in Zambia Arrives**

*SK3001115796 Seoul YONHAP in English  
1053 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — Third Secretary Hyon Song-il of the North Korean Embassy in Zambia flew into Seoul Tuesday evening aboard a KAL airliner from London.

He was the third North Korean Embassy official in Zambia to defect to the South in fortnights. His wife and embassy typist, Choe Su-pong, and security officer Cha Song-kun arrived here on Jan. 16.

"At first I misunderstood my wife's defection to the South. But, I came to realize her action was right and I decided to follow suit," Kim told reporters at the Kimpo Airport.

Introducing himself as Third Secretary Hyon Song-il, the defector said he was impatient to meet his wife already in Seoul.

He was in dark-green shirts only as if to suggest the hasteness with which he might have escaped the North Korean Embassy into the Seoul mission. [sentence as received]

He could deplane into freezing Seoul weather only after a security officer brought him a thick jacket.

Hyon's father, Hyon Chol-kyu, is the top party and administration officer of South Hamgyong Province, and his uncle, Hyon Chol-hae, a People's Army general in charge of rear area programs.

#### **ROK Overseas Missions Ordered To Prepare for DPRK Defectors**

*SK3001035596 Seoul YONHAP in English  
0343 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — The Foreign Ministry instructed its overseas missions Tuesday to be prepared for possible bids by more North Korean citizens for political asylum in the aftermath of



the recent defections by North Korean diplomat Hyon Song-il and two others, a ministry official said.

The ministry also instructed that such missions come up with measures to protect South Korean diplomats and residents from possible "threatening acts" by the communist nation, especially after the defection of Hyon, who was third secretary at the North Korean Embassy in Zambia.

A ministry official said "We, however, cannot find any special symptoms (of threatening acts) from North Korean Embassies near Zambia."

He added that the staff of North Korea's mission in the African nation has been reinforced with additional personnel from fellow embassies in neighboring countries. Pyongyang's mission in Zambia normally employs about 10 staff members.

**ROK: Red Cross Urges Aid to DPRK, Says 500,000 Face Famine**

SK2901102896 Seoul YONHAP in English  
0953 GMT 29 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP) — The International Federation of Red Cross and Red Crescent (IFRC) is expected to launch a second-phase flood relief program for North Korea through August this year, a visiting senior IFRC official said here Monday.

In a press conference at the Korean National Red Cross, Simon Missiri, deputy director of the IFRC's Asia-Pacific Department, said the second aid program will be finally decided on at an IFRC meeting to be held shortly with the participation of delegates from the 169 member countries.

The IFRC move is based on a North Korean request for second-phase assistance, Missiri said.

The IFRC official, who has just been to North Korea, said he found the food situation in the North was worse than last September.

"If there would be no additional assistance until the next harvest season, the flood victims totaling about 500,000 would face famine," he said.

Missiri said that during his visit to the North from Jan. 23 through 26, he toured two flood-stricken areas — the Huichon Area of North Pyong-an Province and Sariwon of Hwanghae Province.

With regard to the relief goods South Korea has sent to the North, Mr. Missiri said he confirmed in the North that the items furnished by the South, such as blankets, socks and instant noodle, were being distributed directly to flood victims.

**ROK Position on Grain Aid to DPRK Through Red Cross**

SK3001090996 Seoul SEOUL SINMUN in Korean  
30 Jan 96 p 3

[FBIS Translated Text] With regard to the moves to provide food and relief aid for flood damages to North Korea by various domestic nongovernmental organizations and religious organizations, it was learned on 29 January that the government has decided that it would not allow those organizations to provide large-scale food or cash aid to North Korea unless North Korea changes its attitude and stops denouncing South Korea.

However, the government will continue to allow the provision of clothes and processed foodstuffs, such as instant noodles and powdered milk, through the Korean National Red Cross.

In particular, the government is reportedly considering allowing nongovernmental organizations to provide North Korea with grain such as corn and flour, except rice, through the Korean National Red Cross. The government will make case-by-case decisions as to whether it permits nongovernmental organizations to provide grain aid to North Korea, taking the scale and time of each case into consideration.

Following the government's decision to make the Korean National Red Cross the single channel for nongovernmental organizations' aid to North Korea, the staff members of the Korean National Red Cross, headed by President Kang Yong-hun, were briefed on the result of the fact-finding survey by Simon Missiri [name as published], deputy director of the Asia-Pacific Department of the International Federation of Red Cross and Red Crescent, at the assembly hall of the Korean National Red Cross on the afternoon of 29 January.

Meanwhile, religious figures from Christian associations of seven countries, including South and North Korea, the United States, Japan, China, and Germany, held the "Meeting of Sharing and Solidarity for the Peace of Northeast Asia" in Macao on 29 January to discuss the provision of food aid to North Korea by nongovernmental organizations.

**ROK: DPRK Officials Send Children to Overseas Missions**

SK3001051596 Seoul KBS-1 Radio Network  
in Korean 0300 GMT 30 Jan 96

[FBIS Translated Text] It has been revealed that high-ranking North Korean officials are systematically sending their children to overseas missions. Also, it was learned that North Korean missions have not received



funds from North Korean authorities for the past six months and they are appropriating money through illegal activities. Following is a report by Yi Hyon-chu:

[Begin Yi recording] Currently, high-ranking North Korean officials are systematically sending their children to overseas missions, and it was learned that the main place is the North Korean Embassy in Zambia. In addition, North Korean missions have not received any funds from the North Korean authorities for the past six months. Therefore, in the case of the North Korean Embassy in Zambia, it is appropriating money through illegal activities, such as smuggling rhinoceros horns and ivory.

A government official revealed this today, and pointed out that Mr. Hyon Sung-il's case is a good example. Mr. Hyon taught at a university after graduating from the Kim Il-song University's English Department and was suddenly appointed as a diplomat, which has no relation with his major, and was first assigned to Zambia.

This official also said that it has been confirmed that the North Korean Embassy in Zambia has become a place to hide children of high-ranking North Korean officials, and revealed that in the case of Mr. Hyon Sung-il, based on his family background and the fact that he is fluent in English, he was in reality in charge of foreign negotiations at the North Korean Embassy in Zambia.

In the case of the North Korean Embassy in Zambia, it has been appropriating money by smuggling rhinoceros horns and ivory, which have been banned internationally; thus, it received serious warnings from the Zambian Government. This official revealed that in particular, Mr. Hyon and Ambassador Kim Ung-sang were summoned to Pyongyang but the ambassador has not returned yet, even though a long time has passed. This is because there is no money to pay for airfare and expenses for the activities of about 30 security agents needed in summoning them. This official analyzed that it is clear that the North Korean mission is bankrupt. [end recording]

#### **ROK: KDI Report: DPRK Grain To Feed People Until Jun**

SK3001015996 Seoul YONHAP in English  
0147 GMT 30 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — North Korea will not face grave hunger for at least the first half of the year, because it has enough grain from last year's harvest to feed its people until June, the Korea Development Institute (KDI) said Tuesday.

According to the KDI report "Conditions and Implications of North Korea's Food Problems," North Korea produced 4 million tons of grain last year, which will be enough to meet its domestic food demand through May or June. The government think-tank dismissed the notion that the Stalinist state faces grave hunger this spring.

But citing the results of recent field investigations by the Food and Agricultural Organization and the World Food Program, the report inferred that the North's output of 4,077,000 tons of food last year will fall short of the 5,988,000 tons needed to meet the nation's entire demand this year.

After taking into account the North's total food demand and grain production last year, which has been consumed since last November, the report concludes that there will be enough to feed North Korea's populace until June.

#### **ROK: Chongnyon Paper on DPRK Plans for Najin-Sonbong**

SK2901131896 Seoul TONG-A ILBO in Korean  
28 Jan 96 p 26

[Article by reporter Han Ki-hung]

[FBIS Translated Text] North Korea, in an effort to actively induce foreign capital, has recently divided the Najin-Sonbong Free Economic and Trade Zone into 10 industrial districts and designated the category of industry to be promoted within each division.

Revealing this fact recently, CHOSON SINBO, the organ of the General Association of Korean Residents in Japan, Chongnyon, has reported that the number of foreign companies newly advancing into the economic zone is on the increase, noting that more than 200 foreign inspection delegations visited the economic zone in 1994 and 1995 each.

The Najin-Sonbong zone is a coastal area located on the northernmost tip of North Hamgyong Province. The Tumen River forms its border with Russia and the PRC. On 28 December 1991 North Korea declared this area covering 621 square kilometers a free economic and trade zone and a test site for its economic opening-up policy through its Administration Council Decision Nr. 74.

The following are the details of the 10 industrial districts:

1. Sinhung Industrial District: This district covers the Sinhung County area covering 250 hectares. The category of industry North Korea wants to attract to this district is light industry and machine industry. North Korea



stresses that this district has convenient traffic networks linking Najin Port and a sufficiently highly-educated labor force. North Korea says it will give priority to those foreign firms which invest in advance of others because this district is a newly developed area.

2. Huchang Industrial District: This district is the Huchang-ri area in Najin City which covers 100 hectares. North Korea plans to attract foodstuffs industry and building materials industry to this district. It also plans to establish a bonded warehouse area in this district.

3. Changpyong Industrial District: This district covers presently a ship repair and building base in Pyongchang-tong, Najin City. North Korea plans to build in this area a dock capable of repairing 50,000 tonnes of ships by the year 2000 and to gradually expand the dock into one capable of repairing 100,000 tonnes of ships. It also plans to deploy a maritime rescue station in this area.

4. Paekhak Industrial District: This district with 200 hectares covers the area of Paekhak-ri of Sonbong County. North Korea plans to develop this district into an electronic automation industry complex.

5. Kwangok Industrial District: This district covers an area of 550 hectares in Kwangok-tong, Najin City and is the largest district among the 10 industrial districts. North Korea plans to attract petroleum processing industry and petrochemical industry to this district.

6. Hongui Industrial District: This district covers an area of 180 hectares in Honghui Workers' District in Sonbong County. North Korea plans to bring automobile assembly plants, automobile spare parts production plants, and light industry plants into this district.

7. Ungsang Industrial District: This district covers an area of 200 hectares in Ungsang Workers' District in Sonbong County. North Korea plans to bring wood processing plants and building materials production plants into this district. It is said that North Korea will build a large-scale ship repair center in this district in the future.

8. Sahoe Industrial District: This district covers an area of 350 hectares in Sahoe-ri, Sonbong County. North Korea plans to attract automobile assembly plants and automobile spare parts plants into this district.

9. Uam Industrial District: This district covers an area of 300 hectares in Uam-ri, Sonbong County. North Korea plans to build a combined light industry complex in this district.

10. Wonjong Industrial District: This district covers an area of 140 hectares in Wonjong-ri, Sonbong County.

North Korea plans to build various light industry plants, as well as plants related to advanced technology.

At a briefing session held last September in Beijing Kim Chong-u, chairman of the Committee for Promotion of External Economic Cooperation, asked the participants at the session to invest in seven projects in the field of social overhead capital (\$4.5 billion) and 66 projects in the light industry field (\$3.5 billion) — \$8 billion in all — in the Najin-Sonbong zone.

The National Unification Board said, however, that of a total \$200 million in investment that foreign enterprises have promised to North Korea so far, only \$20 million has actually been invested in North Korea.

Kim Il-song convened a consultative meeting of functionaries concerned on 14 June 1994, 20 days before he died. At the meeting he strongly urged the participants in the meeting to push ahead with development of Najin-Sonbong into a free economic and trade zone, saying that "development of a free economic and trade zone will cause our people to be better off."

However, foreign investments in this zone have been very sluggish due to the instability in North Korea's domestic situation following Kim Il-song's death and the lack of laws and institutional structures in North Korea related to investment by foreign enterprises. The National Unification Board estimates that North Korea is now apparently accelerating efforts to attract foreign investment into North Korea by presenting its detailed development plans, including establishment of the 10 industrial districts in the Najin-Sonbong zone.

#### **DPRK Said To Conditionally Allow ROK at Pyongyang Expo**

SK2801110996 Seoul CHUNGANG ILBO in Korean  
28 Jan 96 p 1

[Report by Yu Kwon-ha]

[FBIS Translated Text] North Korea has decided to allow South Korean enterprises to participate in the international industrial exhibitions to be held in Pyongyang in April and October.

A German international expo and exhibition corporation, IMAG, which is the sponsor of the October exhibition, informed CHUNGANG ILBO on 27 January that "the Pyongyang authorities have conveyed to IMAG their willingness to open the door to all South Korean enterprises that accept certain conditions." It also stated that large ROK business groups such as Hyundai, Samsung, Daewoo, and LG are discussing ways to participate in the Pyongyang exhibition with IMAG through their overseas corporations.



The IFS [not further identified], the sponsor of the April exhibition of medical equipment, has also been confirmed to be holding discussions with some South Korean enterprises, including Medicine Co., on their participation in the April exhibition, according to the North Korean authorities' policy to allow South Korean enterprises to participate in the Pyongyang exhibitions. This is the first time the North Korean authorities have allowed South Korean businesses to exhibit their goods on a large scale on North Korean soil.

IMAG stated: "The three conditions North Korea has set for the participation of South Korean enterprises in the exhibitions are as follows: They should apply for participation in a third country, not in South Korea; they should display goods without 'made in Korea' inscriptions; and only those who have foreign passports, not ROK nationals, are allowed to enter North Korea as members of working-level delegations to the Pyongyang exhibitions. North Korea has informed IMAG of these relatively easy conditions through the North Korean mission in Berlin."

#### **ROK Article on Japan's 'Two-Faced' Approach to DPRK**

SK2701043896 Seoul HANGUK ILBO in Korean  
26 Jan 96 p 5

[Article by correspondent Hwang Yong-sik from Tokyo: "Japan's Approach Towards North Korea Two-Faced"]  
txt)[FBIS Translated Text] Japan's position regarding additional rice aid to the North, and negotiations to establish diplomatic relations between the DPRK and Japan, can be summarized as "taking active and appropriate measures within the realm of not offending the ROK."

In other words, as was always the case, Japan's "interior and exterior are different."

Regarding the issue of rice aid to the North, Japanese Prime Minister Hashimoto Ryutaro showed a prudent attitude when saying on 25 Japan: "While humanitarian assistance is necessary, other elements must also be considered." In contrast, on the same day the ASAHI SHIMBUN reported Japan's ruling coalition party was planning to dispatch a delegation to North Korea sometime in February to discuss establishing diplomatic relations and the rice aid issue. Last month there was a report that North Korea requested a third round of rice aid through an indirect channel. Nosaka Koken, the chief cabinet secretary at the time, revealed: "North Korea's food crisis is an issue that cannot be overlooked. We are receiving reports that the rice we provided is being used appropriately." Synonymous with notifying

the North of Japan's position, this was an attempt to lure the North into requesting aid.

On 13 January, Japanese Foreign Affairs Minister Ikeda Yukihiko revealed: "Negotiations to establish diplomatic relations with the North must be carried out prudently in consideration of ROK-Japan relations." It was revealed on 22 January that Kim Yong-sun, secretary of the Workers Party of Korea, officially requested additional rice aid through Akiko Tomoto, member of Japan's House of Councillors. Since then, the Foreign Affairs Ministry and the ruling coalition party have repeatedly emphasized "taking prudent measures" and have made a point of not leaving out the provision that "we must consider the ROK's position."

Through these series of steps, Japanese policymakers have characterized the ROK as a stumbling block to improving DPRK-Japan relations. Japan thus effectively diminished the suspicions of domestic public opinion regarding the "transparency of the use of the rice aid issue." Public opinion has so improved that discussion is now focused on the issue of "the depleted rice stock" which can be resolved simply. The claim that humanitarian measures such as providing additional rice aid will solve the issue of negotiations to establish diplomatic relations between the DPRK and Japan and contribute to resolving the crisis on the Korean peninsula, is becoming increasingly persuasive.

In this regard, Kato Koichi, secretary general of the Japanese Liberal Democratic Party, who played the active role of mediator in last year's rice aid to the North, met with visiting Democratic Party representative Yi Pu-yong on 24 January and for the first time confessed Japan's "inner intentions." He revealed: "Considering the progress in the U.S. approach toward the North, Japan is also preparing to actively carry out rice aid and negotiations to establish diplomatic relations. The ruling coalition party and the government are moving rather fast."

Nevertheless, it does not seem that Japan will immediately overlook the ROK to hasten its approach toward the North. On the surface, it will maintain the position of "handling this matter prudently while catering to the ROK," and other analysts say Japan will support U.S. pressure on the ROK to change its attitude while persuading North Korea to hold South-North rice talks. Therefore, observers point out that Japan's "interior and exterior" resembles the process that was followed in the first round of DPRK-Japan rice aid negotiations last year.



**ROK: PRC Decides To Provide Food Aid to DPRK**  
SK3001022896 Seoul THE KOREA TIMES in English  
30 Jan 96 p 2

[FBIS Transcribed Text] TOKYO (YONHAP) — The Chinese government has decided to provide North Korea with additional food assistance at no charge, a Japanese daily reported Monday, quoting Beijing sources.

The YOMIURI SHIMBUN said the amount of food involved has not yet been confirmed. The vernacular paper, however, quoted another source well versed in Beijing-Pyongyang relations as speculating that it would be 200,000 to 300,000 tons, in view of the fact that Beijing estimates Pyongyang's food shortages at 600,000 to 700,000 tons.

The decision was based on Beijing's judgment that North Korea's food shortages are serious, the daily said.

Beijing authorities made this decision in light of last year's bumper crop and the steadily increasing flow of North Korean refugees into China, the daily explained.

Chinese political consideration for North Korea makes it highly unlikely that additional food shipments will be made public, according to the newspaper.

It appears that corn and rice shipments have already begun, the daily added.

Last October, China offered North Korea 30 million yuan worth of relief goods.

**ROK Official: PRC 'Appears' To Believe ROK Pastor Kidnapped**

SK3001110996 Seoul YONHAP in English  
1015 GMT 30 Jan 96

[FBIS Transcribed Text] Beijing, Jan. 30 (YONHAP) — China appears to have concluded that the South Korean priest who disappeared from Yanbian, China last July during his missionary activities, has been kidnapped to North Korea, a visiting senior South Korean Foreign Ministry official said here Tuesday.

Kim Ha-chung, director-general for Asian and Pacific affairs, told South Korean correspondents at the Korean Embassy here that China has almost completed investigation of those involved in the case of Rev. An Sung-un.

"I understand China will rigidly deal with the involvers in accordance with China's domestic law and principles," Kim said.

Disclosing that a trial of Yi Kyong-chun, a North Korean, and several other involvers would begin shortly, the South Korean official said, "to us, the fact that those

involved would be punished under China's domestic law, carries an important implication."

He said his government has been notified by China about the planned trial. "The kernel aspect of the notification was that China would not dismiss the case but would handle the involvers strictly in accordance with law," he said.

Asked by reporters if China had drawn the conclusion that Rev. An had been kidnapped into North Korea, the director-general said, "What is important is the reason why China plans to legally deal with the North Korean under Chinese law."

He said the kind of the steps South Korea may take depending on the outcome of the trial of them will be decided on after the completion of their trial.

Kim also said his Chinese counterpart, Wang Gu, told him he doesn't know anything about the press report that China is studying a plan to provide rice to North Korea.

"Director Wang said, however, it would be good to extend a helping hand to North Korea suffering from food shortages," Kim added.

**ROK: DPRK To Participate in Olympic Preliminaries in PRC**

SK2901094696 Seoul YONHAP in English  
0827 GMT 29 Jan 96

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP) — North Korea has formally announced that it will participate in the Asian regional wrestling preliminaries scheduled for April in China, to qualify for the forthcoming Atlanta Olympics.

Asian Associated Wrestling Committee (AAWC) Chairman Kim Chang-kyu reported Monday that Pyongyang had sent a cable to AAWC Secretary General Tomiaki Fukuda, to inform him that a 17-member contingent, made up of seven free-style champions, four Greco-Roman champions and six officials, will take part in the Asian Wrestling Championships slated for April 4-10 in Xiaoshan, China.

The cable also said, "After receiving an official invitation we have already sent preliminary entry forms to the organizing committee."

The cable was signed by Yu Sung-man, secretary general of the Wrestling Association of the DPRK (North Korea).

Kim expressed hope that the forthcoming wrestling matches in China will provide an opportunity for the two Koreas to "vitalize sports exchanges between them."



North Korea, meanwhile, reportedly plans to send its champions to the third Asian region boxing preliminaries opening in Bangkok on Feb. 25, and the Asian region table tennis preliminaries slated for Mar. 25-28 in Chiba, Japan.

#### **ROK KFTA: Trade With PRC, Taiwan, Hong Kong Increases**

*SK2601020296 Seoul THE KOREA HERALD in English 26 Jan 96 p 8*

[FBIS Transcribed Text] South Korea's exports to China, Taiwan and Hong Kong have risen 41.7 percent to \$24 billion in 1995, compared with the previous year, and the combined trade surplus with the three nations was \$13.2 billion, the Korea Foreign Trade Association (KFTA) said yesterday.

Exports to Hong Kong reached \$10.7 billion last year, the first time to exceed \$10 billion, while exports to China jumped 50.9 percent to \$9.4 billion.

Trade surplus with Hong Kong amounted to \$9.8 billion, followed by China with \$1.9 billion and Taiwan with \$1.4 billion. Imports from the three nations rose 31.7 percent to \$10.9 billion.

According to KFTA, the three nations are expected to become Korea's largest export market this year, edging out the United States.

#### **ROK Foreign Minister Plans To Meet With Japan, PRC Counterparts**

*SK2901045996 Seoul KYONGHYANG SINMUN in Korean 29 Jan 96 p 2*

[Report by Yi Sung-chol]

[FBIS Translated Text] It has been learned that Foreign Minister Kong No-myong is pushing ahead with a plan to hold ROK-Japan and ROK-PRC foreign ministers' talks in Thailand when foreign ministers from 10 countries meet in Bangkok on 2 February to discuss preparatory measures for the Asia-Europe summit meeting (ASEM).

A government official concerned on 28 January said: The ROK side has already agreed with the Japanese side that ROK Foreign Minister Kong and Japanese Foreign Minister Yukihiko Ikeda will hold talks on 3 February. The ROK is also pushing ahead with a plan on Foreign Minister Kong's talks with PRC Foreign Minister Qian Qichen.

#### **ROK Urges France To Refrain From More Nuclear Testing**

*SK2901003996 Seoul YONHAP in English 0032 GMT 29 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP) — South Korea urged France to stop conducting further nuclear testing Monday, expressing deep regret and disappointment over France's resumption of nuclear tests in the South Pacific Sunday [28 January].

In an official announcement Foreign Ministry Spokesman So Tae-won said, "The government of South Korea is paying attention to France's promise that it will sign the Comprehensive Test Ban Treaty (CTBT) by the autumn of 1996."

The spokesman also urged France and other nuclear powers to do their utmost for the signing of the CTBT.

#### **ROK Welcomes French Decision To Stop Nuclear Testing**

*SK3001065896 Seoul YONHAP in English 0647 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — South Korea welcomed Tuesday France's announcement the previous day that it will end all nuclear tests.

In a statement, Foreign Ministry spokesman So Tae-won also hoped that the declaration by Paris would serve as an occasion for all nations possessing nuclear capability to join the global community's strong desire for no more nuclear blasts.

So urged the nuclear powers to do their utmost to conclude negotiations on the signing of the comprehensive test ban treaty, currently underway at the Geneva conference on disarmament.

#### **ROK, Portugal Sign Double Taxation Avoidance Agreement**

*SK2601064496 Seoul YONHAP in English 0616 GMT 26 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — South Korea and Portugal signed a convention Friday on the avoidance of double taxation and the prevention of fiscal income tax evasion.

The convention was signed by Foreign Minister Kong No-myong and Portuguese Ambassador Manuel Gervasio de Almeida Leite.

The double taxation avoidance convention, coupled with the investment guarantee agreement signed last May, is aimed at helping enhance bilateral economic cooperation, a Foreign Ministry official said.



**ROK: Chon Tu-hwan Returns 12.6 Billion Won to Government**

*SK2601113296 Seoul YONHAP in English  
1032 GMT 26 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 26 (YONHAP) — Former President Chon Tu-hwan has recently turned in 12.6 billion won out of the hundreds of billion won he raised as a slush fund during his presidency, a prosecution source said Friday.

The 12.6 billion won was in an industrial financial bond.

Chang Se-tong, chief presidential security service officer under the Chon administration, also surrendered 3 billion won he had received from Chon to the state treasury.

The source said that tracing by the prosecution of Chon's slush fund has showed thus far that about 50 billion won had been handed out to his associates and relatives.

"Chang Se-tong gave up the 3 billion won with the remarks that he thought the money ought to be turned over to the state since the money came from Chon's slush fund though it was under his bank account," the source said.

Chang told investigators he had received the money from Chon on eight separate occasions. In one instance, he said, Chon gave him 1.8 billion won upon his release from prison in March 1990.

The former president also gave 1 billion won to An Hyon-tae, another chief presidential security officer, when An said he was preparing to run in general elections, according to the source.

**ROK Prosecution Asks Prison, Fines Over Slush Fund**

*SK2901120196 Seoul YONHAP in English  
1125 GMT 29 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 29 (YONHAP) — The prosecution on Monday demanded prison terms ranging from 1 to 10 years for 14 businessmen and others in connection with the raising of a huge slush fund by former president No Tae-u.

No demand, however, was made for No himself as the former president has been charged also with military rebellion and insurrection in addition to graft.

During a trial session at the Seoul District Criminal Court, three years' imprisonment was asked for Yi Kon-hui, chairman of the Samsung group, and four years for Daewoo Chairman Kim U-chung, Dong Ah Chairman Choe Won-sok and Hanbo's Chong Tae-su.

But, prosecution demand was harsher for No's former aides. Ten years in prison and a fine of 610 million won were asked for Yi Hyon-u, chief presidential security service officer under No's administration.

Yi was found to have worked as a go-between between No and businessmen in raising the slush fund.

The prosecution asked six years in prison for Kum Chin-ho, No's brother-in-law, and five years for ex-Chongwadae [presidential offices] officials Kim Chong-in and Yi Won-cho.

The court is expected to hand down sentences after the Constitutional Court decided on whether the May 18 special law is constitutional.

In making the demand, prosecutor Mun Yong-ho said the case of No Tae-u's slush fund has given the people irrevocable scars of disappointment and dispossession, and, therefore, those involved deserve harsh punishment.

**ROK: Chon Tu-hwan Asks Trial Postponement Due to Illness**

*SK3001065296 Seoul YONHAP in English  
0645 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — Jailed former President Chon Tu-hwan, who is currently hospitalized, requested Tuesday that his graft trial scheduled for Monday be postponed due to his ill health.

The ex-president applied to delay his trial with the Seoul District Court through his lawyer Sok Chin-kang. Chon explained he can hardly attend the trial session because he is suffering from nausea and dizziness, apparent side effects from his long fast in prison.

Chon has been indicted by the prosecution for amassing a huge slush fund, including 215.9 billion won worth of bribes. He began a month-long fast days after his arrest on Dec. 3 last year.

The former president wrote in the application that he would be unable to make sincere testimonies during the trial if he undergoes lengthy questioning, requesting that the trial be put off for the time being until his health recovers.

**ROK: Cho Hae-yong New Government Administration Minister**

*SK3001062196 Seoul YONHAP in English  
0613 GMT 30 Jan 96*

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — Former Taegu Mayor Cho Hae-yong was appointed



new government administration minister Tuesday by President Kim Yong-sam.

Cho is replacing Kim Ki-chae, who resigned earlier in the day to run in the general elections in April.

A native of the city of Kyongsan in North Kyongsang Province, Cho, 53, is a graduate of Seoul National University's College of Law. He began his public career in the North Kyongsang provincial office and then the Home Ministry. He later served as presidential secretary under former President No Tae-u.

Presidential spokesman Yun Yo-chun said that President Kim named Cho to the post in recognition of his administrative experience and capabilities.

#### **ROK SNU Law College's Old Boy Network Discussed**

SK3001112596 Seoul YONHAP in English  
0912 GMT 30 Jan 96

[By Kim Myong-chol]

[FBIS Transcribed Text] Seoul, Jan. 30 (YONHAP) — The prestigious Seoul National University (SNU) College of Law has come into its own since Kim Yong-sam was elected first civilian president in more than three decades.

The graduates of this college are in the vanguard at all levels of society, including politics, business, finance, journalism and law. They form a power to be reckoned with that includes some 40 incumbent National Assemblymen.

In the ruling New Korea Party (NKP), several SNU law college graduates are tipped as future contestants for the presidential nominee.

In the three previous military-backed governments, graduates of the Korean Military Academy (KMA) formed the power-elite, who derived legal and theoretical support from their SNU Law College underlings.

So, in the days of former soldier-turned Presidents Pak Chong-hui, Chon Tu-hwan and No Tae-u, the ruling party was nicknamed "the KMA-SNU Law College party."

Under civilian President Kim Yong-sam, the ruling NKP might well be called "the SNU-Law College party."

There are a lot of good old SNU Law College boys in the NKP leadership, and just as many of their law school classmates waiting in line to join government and opposition parties in their April run for parliamentary seats.

National Assembly Vice Speaker Yi Han-tong, Kyongi Governor Yi In-che, former Prime Ministers Yi Hoe-

chang and Yi Hong-ku and incumbent Prime Minister Yi Su-sung are among those in the NKP leadership who have been mentioned as possible presidential candidates in the 1997 election. They are all graduates of SNU Law College. The two ex-Prime Ministers Yis are at the head of the seniority list, both having graduated in the 11th class of 1957, followed by Vice Speaker Yi (12th), incumbent Prime Minister Yi (14th) and Governor Yi (26th).

Vice Speaker Yi, who derives his power base from Kyonggi Province, was the first to indicate an interest in being a presidential candidate in the next presidential election.

When asked if he was going to be a 1997 presidential candidate, he replied, "You can recognize a tiger by just seeing its shadow, can't you?"

His potential rivals include Prime Minister Yi Hoe-chang and former assemblyman Pak Chang-chong who recently joined the NKP.

Governor Yi, although a junior member in President Kim Yong-sam's NKP crony group, was widely rumored to be a possible NKP contender for the 1997 election when President Kim Yong-sam said last October that the ruling party would probably nominate "a surprisingly young" candidate for the next presidential election for a generational change in politics.

Although only 48 years old he is still well received by the people, especially younger people, due to his learned and logical reformist speaking style that has served him well as two-term lawmaker and provincial governor.

Yi Hoe-chang, formerly a judge, and incumbent Prime Minister Yi Su-sung, formerly an SNU president, have loomed large on the political horizon as President Kim Yong-sam put their skills to important use in his administration.

Yi Su-sung has approximately 10 of his SNU law college alumni in his cabinet and the Chongwadae [presidential offices] staff.

In the December Cabinet reshuffle, Yi's alma mater again proved to be a fertile source of ranking government officials. His alumni in the cabinet and on the Chongwadae staff include Foreign Minister Kong No-myong, Justice Minister An U-man, Culture and Sports Minister Kim Yong-su, Legislation Minister Kim Ki-suk, Chongwadae Chief of Staff Kim Kwang-il and Senior Chongwadae Secretaries Sim U-yong, Mun Chong-su and Pak Se-il.

There are too many other SNU Law College graduates among the vice minister-level officials to name.



Yi Hoe-chang's 11th class is just as prominent as incumbent Prime Minister Yi Su-sung's.

Yi Hoe-chang's classmates include National Unification Minister Kwon O-ki, Environment Minister Chong Chong-taek, former Prime Minister Yi Hong-ku, former Chongwadae Chief of Staff Choe Kwang-su, former Justice Minister Kim Suk-hui, Constitutional Court Justice Cho Sung-hyong, former Korean Bar Association President Yi Se-chung, Ambassador to Japan Kim Chi-tae, Ambassador to Israel Pak Tong-sun and Ambassador to Sweden Chae Ui-sok.

Prime Minister Yi Su-sung's classmates include Chongwadae Chief of Staff Chong Hae-chang, Justice Minister An, former Environment Ministers Ho Nam-hun, Yi Chae-chang, Supreme Court Justice Yun Yong-chol and others.

#### **ROK Court: Trial Without Presence Violates Constitution**

SK2601012096 Seoul THE KOREA HERALD  
in English 26 Jan 96 p 1

[FBIS Transcribed Text] The Constitutional Court ruled yesterday that a specially-enacted law, which was legislated 19 years ago to punish an ex-intelligence chief, violates the constitution.

The court said in a ruling that the law allowing a trial without the presence of the defendant violates the constitutional right to receive a fair trial.

Kim Hyong-uk, an ex-chief of the then Korea Intelligence Agency (KCIA), was sentenced to seven years in jail in a trial held in his absence in 1977. The ruling also ordered the confiscation of his property.

The court's decision, nullifying the so-called "law against antistate crimes," has paved the way for Kim's family to recover the confiscated property worth some 30 billion won (US\$39 million).

Kim, who was then in the United States, an act betrayal against President Pak Chong-hui, testified against the Pak regime in the U.S. Congress in 1977.

Amid speculations throughout the nation that he may have been murdered by Pak's secret agents, the treacherous ex-intelligence agent mysteriously disappeared in Paris in 1979.

At the request of Kim's wife, Sin Yong-sun, 64, the Seoul District Court asked the Constitutional Court to

make judgment on the constitutionality of the law last May.

#### **ROK Net Oil Imports Increase in Value in 1995**

SK2601015296 Seoul THE KOREA HERALD  
in English 26 Jan 96 p 8

[FBIS Transcribed Text] Korea's 1995 net oil imports rose 19.7 percent in value from the previous year to total \$12.26 billion, said the Ministry of Trade, Industry and Energy yesterday.

During this period, the total import quantity grew 9.2 percent to 848.9 million barrels, including 624.5 million barrels of crude oil.

Crude oil showed a 8.9-percent hike in import amount from the previous year. In value, crude oil imports totaled \$10.8 billion, registering a substantial gain of 21.3 percent from 1994.

Expansion by a leading domestic refinery, combined with rising international prices pushed up both the quantity and value of imports last year, said the ministry.

Import price gains in other oil products mainly light oil and oil with low sulfur content, marked increases of 10 percent and 28 percent, respectively.

The petrochemical unit of the Ssangyong Business Group last year hiked its refining capacity by nearly 7 percent to 1.8 million B/D (barrels a day).

The expansion led to an increase in Korea's crude oil purchase. The import price of crude oil marked the yearly average of \$17.32/barrel, CIF (cargo, insurance and freight), with the price peaking to the year's high of \$18.81/barrels, CIF.

The portion of long-term crude oil purchase, in relation to spot purchase dropped slightly. About two-thirds of crude oil purchase was secured in long term contracts last year.

The ministry attributed the decline in long-term purchase to stepped up tension in U.S.-Iran relations. Honam Oil Refinery Co. had pulled out of a long-term contract for delivery of 50,000 B/D from Iran, due to the Korean refinery's partnership agreement with CALTEX of the United States.



**Burma****Burma: Military Efforts To Stop U.S. Bid To Capture Khun Sa Denied**

*BK3001112396 Bangkok BANGKOK POST (INSIDE INDOCHINA Supplement) in English 30 Jan 96 p 1*

[Report by Nutsara Sawatsawang from Rangoon]

[FBIS Transcribed Text] Speculation is rife in the Burmese capital that the ruling junta has staged a military exercise along its coast to counter a possible United States' invasion to capture drug warlord Khun Sa and put him on trial.

Some observers predict the US will launch an operation from the Andaman sea to snatch Khun Sa, along the lines of its invasion of Panama to capture strongman Manuel Noriega in 1989.

However, junta and diplomatic sources give the rumours little credence.

The joint exercise involved all of Burma's ground, air and naval forces along the country's strategic southwest coastline on January 20-23.

Ships, jets and missiles provided by China were used in the exercise, along with troops and artillery. A source in Burma predict a similar exercise would be held along the southern coast close to the natural gas pipeline to be laid toward Kanchanaburi.

Last week's activities could not be independently verified by other sources, although residents spotted combat vessels at the scenic beach resort of Chaungtha, southwest of Arakan state.

"It's the first time the navy has joined such an exercise," the Burmese source said.

Diplomats in Rangoon said they had been expecting an invitation from the junta, the State Law and Order Restoration Council [SLORC], to observe the drill.

The US has demanded that SLORC hand over Khun Sa, who surrendered to the military government earlier this month, to stand trial in the US on narcotics charges. But the junta maintains there is no extradition treaty between the two countries and it will treat Khun Sa under its own laws.

Khun Sa has faced a US federal indictment since December 1989 on 10 charges following the seizure of 1,080 kilogrammes of heroin in Bangkok in 1988.

An observer of Burmese affairs said an invasion would not make sense. The rugged terrain and mountains in Arakan state, and the long distance from there to Khun Sa's Ho Mong headquarters posed the first obstacle.

"Even if Khun Sa serves his jail term in Rangoon's Insein prison, SLORC is confident of its strength and security and that he will not be abducted," the observer said.

A diplomat in Rangoon said the US was not thinking of an invasion.

"The Cold War is over and this region, unlike Panama where US strategic interests lie, is too far from America," he said.

The junta also denied any link between the exercise and its fear of an invasion.

"The only reason for the drill is that our 300,000 troops have been idle for a long time," a senior Burmese military officer said.

Nevertheless, SLORC is still cautious about security. Another diplomatic source said SLORC officials had never failed to complain about any reported joint military exercise between the US and Burma's Southeast Asian neighbours.

Burmese leaders are also prepared to boost their country's military strength, and there have been unconfirmed reports that Burma's missions abroad are trying to procure more arms in exchange for rice.

**Burma: Rangoon Denies Mending Ties With DPRK**

*BK3001072296 Bangkok THE NATION in English 30 Jan 96 p A3*

[Unattributed Report]

[FBIS Transcribed Text] Burma's military junta has denied that the country is in the process of mending its relations with North Korea, with Bangkok being used as the centre for secret negotiations.

In a press statement released by the Burmese Embassy in Bangkok, it denied a Jan 22 report in THE NATION quoting an informed source as saying that Burma and North Korea have over the past few months speeded up talks to normalize ties, and that Bangkok was being used as the centre of negotiations.

Rangoon and Pyongyang cut off ties after North Korean agents planted a bomb in Rangoon that killed 17 high-level visiting South Korean officials, including four Cabinet ministers, 12 years ago.

The report quoted the source as saying that Burmese Ambassador to Thailand, U Tin Winn, had invited North Korea's charge d'affaires in Bangkok, Pang Song Hae, to an official reception on Jan 4 to celebrate Burma's 48th independence anniversary.



"Actually, this hasty and reckless conclusion was drawn from the fact of the invitation extended to the Embassy of Democratic People's Republic of Korea to the reception for the 48th independence anniversary of the Union of Myanmar (Burma) held on 4-1-96," said the Burmese Embassy's release.

It added that, "In fact, as a practice commonly used in the diplomatic circle here, the Myanmar Embassy extended invitations to all heads of diplomatic missions, deputy heads of diplomatic missions, consul generals, honorary consuls and the United Nations organizations."

"It is in this pure simplicity and sincerity that the mission of the Democratic People's Republic of Korea was invited to the said reception this year as in the last year," it added.

"We understand the newspaper's eagerness to print a scoop or sensational news report to draw the attention of its readership.

"Anyhow, we sincerely think they should be more careful and circumspect before they report the sensitive news like the bilateral relations between two countries," said the release.

But Japan's biggest daily, the YOMIYURI, published a news report on Jan 14 quoting former North Korean Ambassador to Thailand, Yi To-sop, as telling the newspaper's Bangkok correspondent that "our (Burmese-North Korean) communications have been going on for some time and the atmosphere was very friendly".

"The restoration of bilateral ties will take place in the future but it depends on whether the two countries are fully ready," Yi To-sop told YOMIYURI.

Another Japanese daily, the JUI PRESS, published a report on Jan 22 quoting North Korean Ambassador to Thailand, Yi Sam-no, who just assumed his diplomatic post, as saying that Bangkok was being used as the centre for the restoration of North Korean relations with Burma and for the opening of Pyongyang's diplomatic relations with two ASEAN countries — the Philippines and Brunei.

#### **Burma: Cambodian Prime Minister, Delegation Depart Rangoon**

*BK2901160096 Rangoon Radio Myanmar in Burmese 1330 GMT 29 Jan 96*

[FBIS Translated Text] A Cambodian goodwill delegation led by Prince Samdech Krompreah Norodom Ranariddh, the first prime minister of Cambodia, and his consort Princess Norodom Marie Ranariddh departed Yangon [Rangoon] by special aircraft at 0730 this morning after paying a goodwill visit to Myanmar [Burma],

which began 27 January. The visit was at the invitation of Senior General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC] and prime minister of the Union of Myanmar, and his wife Daw Kyaing Kyaing.

SLORC Chairman Sr. Gen. Than Shwe and his wife Daw Kyaing Kyaing arrived at Seinlekantha State Guest House at 0650 and cordially greeted Prince Samdech Krompreah Norodom Ranariddh, the first prime minister of Cambodia, and his consort Princess Norodom Marie Ranariddh. Prince Norodom Ranariddh, his consort Princess Norodom Marie Ranariddh, and the Cambodian delegation accompanied by Sr. Gen. Than Shwe and his wife Daw Kyaing Kyaing arrived at Yangon International Airport [YIA] at 0715.

The first prime minister of Cambodia and Princess Norodom Marie Ranariddh were seen off by: General Maung Aye, SLORC vice chairman, deputy commander in chief of the Defense Services, and army commander in chief, and his wife; Lieutenant General Khin Nyunt, SLORC secretary-1, and his wife; Lt. Gen. Tin U, SLORC secretary-2, and his wife; Vice Admiral Maung Maung Khin, SLORC member and deputy prime minister, and his wife; Lt. Gen. Tin Tun, SLORC member and deputy prime minister, and his wife; U Ohn Gyaw, minister of foreign affairs, and his wife; Brigadier General Myo Thant, minister of the SLORC Chairman's Office; Brig. Gen. Khin Maung Than, chairman of the Yangon Division Law and Order Restoration Council and commander of the Yangon Military Command, and his wife; and Thura U Aung Htet, director general of Protocol Department.

The first prime minister of Cambodia and Princess Norodom Marie Ranariddh again cordially greeted SLORC Chairman Sr. Gen. Than Shwe and his wife Daw Kyaing Kyaing. The special aircraft departed YIA at 0730. SLORC Chairman Sr. Gen. Than Shwe, his wife Daw Kyaing Kyaing, and responsible personnel bade farewell from the YIA VIP lounge.

#### **Burma: Sri Lankan Foreign Minister Arrives; Talks Held**

*BK2901153096 Rangoon Radio Myanmar in Burmese 1330 GMT 29 Jan 96*

[FBIS Translated Text] Mr. Lakshman Kadirgamar, foreign minister of the Democratic Socialist Republic of Sri Lanka, and party arrived in Yangon [Rangoon] by air today to pay a goodwill visit at the invitation of U Ohn Gyaw, minister of foreign affairs of the Union of Myanmar [Burma]. The delegation was welcomed at Yangon International Airport by Foreign Minister U Ohn Gyaw,



officials from the Foreign Ministry, Sri Lankan Ambassador Mr. K.B. Fernando, and responsible personnel.

Foreign Minister U Ohn Gyaw received Mr. Lakshman Kadirgamar and party at the reception hall of the Foreign Ministry's Annex Building at 1400 today. Later, an official bilateral meeting was held at the meeting hall of the Foreign Ministry's Annex Building. Cordial and frank talks were held on bilateral relations and regional and international matters. Foreign Minister U Ohn Gyaw hosted a dinner in honor of Sri Lankan Foreign Minister Lakshman Kadirgamar and party at the People's Park Restaurant.

#### **Burma: Suu Kyi Challenges ASEAN Policy, Tourist Visits**

*BK3001034896 Hong Kong AFP in English  
0208 GMT 30 Jan 96*

[FBIS Transcribed Text] Rangoon, Jan 30 (AFP) — Opposition leader Aung San Suu Kyi believes ASEAN's policy of constructive engagement with the Burmese junta is flawed because it concentrates on current economic prospects at the expense of political change.

In an interview with AFP at the lakeside home where she spent nearly six years under house arrest until July 10, Aung San Suu Kyi on Monday also suggested tourists avoid Burma to show they support calls for democratic reforms.

She disputed government claims that economic development was on a sustainable upward track and would eventually lead to the country's democratization.

Economic "half-measures" taken by the junta would not bring democracy, she said. "It will only lead to a widening gap between the haves and the have-nots which is, in fact, inimical to democracy."

Only by spreading wealth throughout all segments of the nation can democracy be bolstered, she said.

"But actually, it works both ways. You won't get that kind of economic development without democracy," she added.

Aung San Suu Kyi said she regretted that the constructive engagement policy followed by the Association of Southeast Asian Nations (ASEAN) seemed to ignore the opposition but courted the junta.

"Constructive engagement, to be effective, should be engaged with all parties concerned," she said.

In her view, ASEAN should be having second thoughts about the early admission of Burma, which would join Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam.

"Apart from anything else, I do not think the Burmese economy is in as good a shape as ASEAN would like it to be," she said.

In any case, she said, "Economics and politics are interdependent and, whether or not you recognize the fact, you cannot escape the consequences of certain political policies."

She said she believed the average six to eight percent economic growth rate was already beginning to tail off. "There are some very, very necessary structural changes that would have to take place before there can be real economic development."

The opposition leader noted meanwhile that her National League for Democracy (NLD) was less than enthusiastic about the junta's plans to earn more tourist dollars by promoting Visit Myanmar [Burma] Year, which starts in late 1996.

"I do not think that it would help very much if the coming of tourists is taken to mean that people don't care whether or not there is democracy in Burma," she said.

Referring to her earlier statements that it was too soon for foreign investors to come to Burma, she added: "I think for tourists, too, there is a time to come and a time not to come."

Aung San Suu Kyi said she and the NLD would continue to speak out, despite attacks against her in the official press.

"Under the law, of course, silence is consent, and we certainly are not consenting to the existing situation," she stressed.

The junta, officially known as the State Law and Order Restoration Council (SLORC) needs to address the issue of the 1990 elections, she said. The NLD won the vote, but the SLORC refused to hand over power.

The opposition leader said she was determined to pursue her political activities, although she admitted a heavy schedule sometimes left her physically drained.

"I would just like to have a good rest, to read, write a few letters, ... just a few days at home quietly, without appointments," she said.

#### **Burma: 150 More MTA Troops Return to 'Legal Fold' 26 Jan**

*BK2901160496 Rangoon TV Myanmar Network  
in Burmese 1330 GMT 29 Jan 96*

[FBIS Translated Text] The state government is leading and striving with increased momentum for the long-lasting existence of the country's independence and for



the establishment of a modern and developed nation in accordance with the set objectives while ignoring internal and external impediments.

As all the national races residing in the country have a duty to join hands constantly to defend and protect the country's independence and the perpetuation of national sovereignty for their eternal existence, they do not have faith in the external and internal instigations that would destroy the firm national consolidation and ruin the country's independence. They have been witnessing the country's absolute situation and defending these values under the state government's leadership.

The MTA [Mong Tai Army] armed group led by U Khun Sa has realized the state government's efforts to develop the country, work for peace and prosperity in the country, and strive for the everlasting existence of the country's independence. They have correctly learned of the danger of internal and external instigations. MTA members led by U Khun Sa have been unconditionally surrendering their weapons and continuously returning to the legal fold since 5 January 1996.

On the morning of 26 January, a total of 150 MTA members led by Regimental Commander Ywet Sit of the 271st MTA Brigade returned to the legal fold, surrendering 127 assorted weapons, ammunition, and mines to the Defense Services at Pansetauk Camp in the Mong Htaw and Mong Hta regions of Mong Ton Township in eastern Shan State. The surrender ceremony was attended by Colonel Thura Thiha Thura Sit Maung; military officers of the Eastern Military Command; and Brigade Commander U San Mon of the MTA's 271st Brigade, who already returned to the legal fold. They inspected the surrendered weapons at the ceremony. After that, the responsible personnel cordially met with the MTA members who had returned to the legal fold. Next, Brigade Commander U San Mon presented a list of men and weapons to Col. Thura Thiha Thura Sit Maung. The ceremony ended after the MTA members were given an explanation of administrative work.

A total of 400 MTA members have already returned to the legal fold, surrendering 250 assorted weapons to the Defense Services, in the Mong Htaw and Mong Hta regions. It has been learned that a total of 11,889 MTA members led by U Khun Sa have returned to the legal fold, surrendering 7,249 assorted heavy and small weapons to the Defense Services since 5 January 1996.

## **Brunei, Malaysia & Singapore**

### **Malaysia**

#### **Malaysia: Official on Conditions for Ties With Israel**

*BK2701092096 Kuala Lumpur THE STAR in English 27 Jan 96*

[BERNAMA report — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Malaysia will only consider establishing diplomatic ties with Israel once the peace process between Israel and Syria is completed, Foreign Ministry Secretary-General Tan Sri Ahmad Kamil Jaafar said last night.

"We're monitoring very closely the outcome of the Israeli-Syrian peace talks, as we must be certain first that the peace process is moving in the right direction," he said.

He was commenting on a REUTER report from New Delhi quoting Israeli Finance Minister Avraham Shohat as saying that he expected formal ties between Israel and Indonesia and Malaysia to be established soon.

Ahmad Kamil told BERNAMA: "The question of diplomatic relations does not arise until the peace process in the Middle East is completed and whatever agreement signed between Israel and Syria is implemented."

He stressed that Malaysia would not hurry to establish ties with Israel until the problems with the Palestinians and the Middle East were fully resolved.

He said Malaysia would only consider establishing diplomatic relations with Israel based on the agreement to be signed with Syria and also the implementation of whatever principles agreed upon by the two sides. "Then we can think of having ties with Israel," he added.

Prime Minister Datuk Sri Dr Mahathir Mohamed had said before that Malaysia was not ready to set up diplomatic relations with Israel.

### **Singapore**

#### **Singapore: Minister 'Upbeat' on Business Ties with Burma**

*BK2601104096 Singapore BUSINESS TIMES in English 26 Jan 96*

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Yangon [Rangoon] — It is easier now for Singaporeans to do business in the emerging economy of Myanmar [Burma].



Trade and Industry Minister Yeo Cheow Tong made this upbeat point in an interview yesterday at the end of his four-day trip to Yangon to boost economic ties.

He noted that the government-to-government relationship was even warmer now, and bureaucratic procedures were more transparent.

He said: "The presence of the Myanmar leadership at almost every function that we had here, in many cases not planned for, are a very strong indication of the level of support and level of emphasis placed by them on the Singapore-Myanmar relationship."

Many of the Myanmar top brass — such as Lieutenant General Khin Nyunt and National Planning and Economic Minister David Abel — were present at three Singapore events.

They attended the topping-out ceremony of Sedona Hotel Yangon, which is being developed by Straits Steamship Land, and the stone-laying ceremony of Thilawa Port being built by C & P [expansion unknown] Holdings.

They were also guests-of-honour at the official opening of NTUC [National Trade Union Congress] Fair Price, and several lunches and dinners held for both sides.

A Singapore official noted that symbolism played a big role in Myanmar, and the turnout of the generals underlined the friendship between the two countries.

Mr Yeo also received feedback from Singapore businessmen based in Yangon that bureaucratic procedures were more streamlined now. He said: "The response time of the bureaucracy has been improving."

"A lot of regulations are also more transparent. You can plan. You know what needs to be done. It makes the conduct of business easier and less complicated."

But the still-emerging infrastructure and small pool of trained human resources posed key challenges to the Myanmar economy, he noted.

"The infrastructural system is very vital if they want to continue growing rapidly at 8 per cent," he said.

But he stressed that Myanmar was "heading in the right direction". He noted that last Sunday, several new power plants were commissioned. The government was also focused on upgrading the road system, airports and telecommunications, he said.

On human resources, he said: "With the economy growing so rapidly, this small pool of trained personnel is highly sought after. Also, they have to get used to the modern tools of business. So this means Myanmar will have to be more involved now in the training of personnel."

Human resource development was one of the four projects endorsed by a joint ministerial committee, co-chaired by Mr Yeo and Lt-Gen Khin Nyunt, on Tuesday. Also approved were projects to increase the fragrant rice yields, introduce modern poultry breeds and develop tourism.

Mr Yeo said that the Myanmar government would next identify a broader base of cooperation — beyond tourism and agro-business — so that fresh projects could surface quickly by the next joint ministerial meeting within 18 months.

During the trip, a revised Air Transport Agreement was also signed. It will expand air links between the two countries, including a new Singapore-Mandalay route.

There was also a packed schedule of courtesy calls on Myanmar ministers by Mr Yeo, plus Communications Minister Mah Bow Tan and National Development Minister Lim Hng Kiang, who is also Second Minister for Foreign Affairs. Mr Yeo returned yesterday. Mr Mah and Mr Lim will return tomorrow, after a private programme and a call on Myanmar [Burmese] Prime Minister Than Shwe.

## Cambodia

### Cambodia: Ranariddh on Ties With Neighbors, SRV Intrusion

*BK2601115496 Phnom Penh National Radio of Cambodia Network in Cambodian  
0500 GMT 26 Jan 96*

[Speech by Prince Krompreah Norodom Ranariddh, first prime minister of the Royal Government of Cambodia, at the inauguration of a new school building in the Nirot suburb of Phnom Penh on 26 January — recorded]

[FBIS Translated Excerpt] [passage omitted] The King Father [Norodom Sihanouk] has already returned to leading the nation. He always advises leaders at all levels in the Kingdom of Cambodia to unite, enhance national reconciliation, and forget the past. So, I would like to say again today what I have said before: that the people long for national reconciliation, compromise, and peace. Is that not true, grandmas and grandpas? All of you want peace. Do you? [applause]. Peace can only be achieved if all Cambodians unite. We will, like it or not, provide the opportunity for foreigners to come and harass us—at a time when we are busy rebuilding solidarity among the Cambodians—if we continue to be partisan, desire to prevail over one another, and recall the bitter past. It is possible to recall a nonbitter past, but we should never recall a past that tends to break up our national society. We should only recall a past



that will promote national unification but not divide the nation.

I would like to advise the national and international communities emphatically that in the west, in the Kingdom of Thailand, which had been less active in aiding the Khmer Rouge, this aid situation has now become unclear. I do not want to elaborate further.

As for Vietnam, it has now moved into three or four of Cambodia's provinces. It has allowed—especially since 7 January 1995—Vietnamese peasants to enter and plow our rice fields in areas where they have never done so previously.

I went to Hanoi myself for talks. I said that Cambodia was absolutely inviolate. The status quo must be maintained for the time being, since Cambodia and Vietnam should settle the border issue once and for all. Nobody, however, is allowed to come and plow or build houses in other people's territory. Nevertheless, last December and in January, many of our provinces, especially Svay Rieng Province, were trespassed into as far as 400 meters. Not only did Vietnamese peasants come to plow our rice fields, but Vietnamese troops and police also infiltrated. They surrounded 15 of our policemen in Svay Rieng Province yesterday. The problem remains unresolved. Therefore, I want to stress that Cambodians can never become disunited. If we did, foreigners would again poke their noses in. This is information I would most earnestly like to convey to the national and international communities. Thank you. [applause]

Now, I must tell you about the measures the Royal Government [RG] has adopted to solve the problem. The RG should first solve the problem through peaceful means because we already have an agreement with Vietnam. I have ordered the foreign minister—Second Prime Minister Samdech Hun Sen has also agreed to my proposal—to invite the Vietnamese ambassador to talks in order to find a solution. I have proposed that Hanoi send one or two of its representatives to accompany our Foreign Ministry's representatives, representatives of the Svay Rieng provincial authorities, and Vietnamese provincial authorities on the other side to personally observe the situation. Afterwards, they should try to solve the problem peacefully on the basis of the joint communique His Excellency Vo Van Kiet and I issued on 17 January 1995. I am absolutely opposed to anything contrary to the January 1995 joint communique. This is what I want to say. [applause]

Joint communiques are joint communiques. So, the communiques that have enhanced relations between the Kingdom of Cambodia and its neighbors should be jointly implemented.

As for Laos, we are in the process of settling just a few problems. We are definitely able to resolve our border problems with Laos. We appear to have no major problem with Laos. We always respect each other. With Thailand and the others, however, I will never agree if any problem or anything contrary to the law and practices arises. The only thing we want is to defend our independence, sovereignty, and territorial integrity. If we say that our country is independent, it should be truly, not jokingly, independent. Thank you. [applause]

#### **Cambodia: Rangsi Denies Rift, Leaves for Australia, New Zealand**

*BK2701120796 Phnom Penh SAPORDARMEAN  
SEREIPHEAP THMEI in Cambodian 24 Jan 96  
pp 1, 4*

[Unattributed report]

[FBIS Translated Text] The Khmer Nation Party [KNP] led by [former Finance Minister] Sam Rangsi is a political party belonging to the people, created by the people, and for the people.

Four members of the KNP Steering Committee, including Phan Sina, Duong Sarom, Nu Beng, and Nop An, have resigned recently. The resignations of the four, the majority of whom are known to be from the Cambodian People's Party, were accepted unconditionally by the Steering Committee at its meeting on the afternoon of 23 January.

At a news conference last night [23 January], Sam Rangsi said "The resignations of the four members do not disturb or break up the KNP because we still have 38 other members on the committee. This shows that our party remains strong. The leaders of our networks in various provinces are now doing a good job; they are able to gather more and more members, despite a threat to kill them barked out by some authorities. Sam Rangsi added the KNP members have now gone up to 70,000 and that it is hard for a single political party to achieve this number.

Kong Korm, the KNP vice chairman, said "the outgoing members have not indicated that the KNP is undemocratic." He added "the KNP will continue to implement democracy and will move forward toward the creation of a legal state at some point in the future."

Asked about the KNP's view on the statements and requests by the resigning members, KNP Secretary General Khieu Rada said "the KNP always follows the king, adheres to nonviolence, respects laws, and relies on the people and the international community. It is, however, regrettable that the four members have



resigned without having any conflict with the leadership or the party itself."

Recently, a newspaper wrote that Nguon Soeur [one of the KNP vice chairmen], like Ieng Muli [leader of a Buddhist Liberal Democratic Party faction], planned to wrest the KNP leadership, supposedly because he is eager to lead the party or to leave it to form a new party himself.

Sam Rangsi, however, said that all in all, he expected nothing like that would happen, because Nguon Soeur, who used to live in France and has a wide knowledge of the law, would never violate the party statute.

Sam Rangsi also told reporters that at a cordial meeting between him and Nguon Soeur yesterday morning, the latter told him that he would not betray the nation and that only Hun Sen and Ranariddh were his opponents. Sam Rangsi denied that Nguon Soeur had resigned, reaffirming that the latter remains the KNP vice chairman.

It has been learnt that Nguon Soeur has put forth many proposals to the KNP. Kong Korm disclosed that Nguon Soeur only wanted to have the KNP reorganized so that it can move forward rapidly to win in the elections.

At yesterday night's news conference, Sam Rangsi said he will leave today [24 January] for a 10-day visit to Australia and New Zealand, where he will meet with the Cambodian compatriots and open KNP offices in some states of the two countries.

Kong Korm has been appointed acting KNP chairman to look after the party affairs. Sam Rangsi will return to Cambodia early next month.

#### **Cambodia: Hun Sen Challenged To Preserve 1969 Border**

*BK2401044596 Phnom Penh SAMLENG*

*YUVEAKCHON KHMER in Cambodian 14-15 Jan 96 pp 1, 2*

[Commentary by Manom: "Mr. Hun Sen, Where Exactly Is the Current Cambodian Border?"]

[FBIS Translated Text] The Khmer empire was immense in the time of Jayavarman VII. To the west, it stretched to the Salween bank in Burma; to the north, it abutted on Luang Prabang; to the south, it covered the Ca Mau Peninsula; and to the east, it expanded into the sea and the state of Champa.

Nowadays, Cambodia has shrunk to an insignificant size, becoming a barely visible dot on the world map. As far as its border is concerned, Cambodians have not the slightest idea where it is. We still remember clearly that during the time Hun Sen wielded total power, whenever the Hun Sen authorities at the Bavet pass planted small

stakes to mark the border according to the map, the Vietnamese would invariably remove them.

A few months ago, during Prince Ranariddh's visit to Hanoi, the Cambodian and Vietnamese Governments signed an agreement to temporarily recognize the present border and, recently, when he was celebrating the day Vietnam invaded Cambodia, Hun Sen clearly stated that he has preserved the border from the time of His Majesty King Norodom Sihanouk. Hun Sen further stressed that we need not take back Surin Province from Thailand or Kampuchea Kraom [Cambodian territory annexed by Vietnam] from Vietnam; what we need to do is just preserve our current border.

We fully support Hun Sen's idea. We Cambodians have no desire to commit aggression against any country. Our dream is merely to protect our own territorial integrity. However, the Cambodian territory that we are trying to defend is barely visible, for it continues to shrink. We bring up this issue only because we are afraid the Kingdom of Cambodia II could become Kampuchea Kraom II.

In a statement made by His Majesty King Norodom Sihanouk in Beijing in 1992, he clearly pointed out that Cambodia's territorial integrity had been violated, and that Cambodia had lost 10 to 20 km and at some points even 40 km of territory.

We would like to ask Mr. Hun Sen: Is the current Cambodian border the line traced after Vietnam had already grabbed these 10 to 40 km of our territory? Is Phnom Penh or Tonle Sap now Vietnam's border? Vietnamese are everywhere in Phnom Penh, and even many more Vietnamese are in Tonle Sap where they would not hesitate to fire at any Cambodians who venture to fish in the lake.

Therefore, Hun Sen should make it clear to the Cambodians so they know exactly where the current Cambodian border is, for normally a country can be a legal state only after its border is recognized internationally. Which statement is wrong and which is right: his majesty the king's statement that Cambodia lost up to 40 km of its territory or Hun Sen's assertion that Cambodian territory has remained intact? Is his majesty trying to mislead his subjects or is Hun Sen trying to fool his people?

If the press opposes Hun Sen it is only because it is afraid that Cambodian land would become Vietnamese land and Cambodians would be turned into one of Vietnam's minority groups. If Mr. Hun Sen can preserve the Cambodian border as it was in 1969 — when both Vietnam and the international community recognized it — and if he can implement the immigration law that has already been ratified by the National Assembly, then



we will stop writing anything against him. Instead, we will support Mr. Hun Sen 100 percent and regard him as a peerless Cambodian statesman. However, if Hun Sen cannot or will not implement the already ratified immigration law, and if he fails to preserve the 1969 border, we would like to make it known to all that 7 January is the day Hun Sen brought the Vietnamese into the country to massacre Cambodians as the genocidal polpotists did before them.

**Cambodia: Dry Season Fighting in Banteay Meanchey Viewed**

*BK2401121196 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 24 Jan 96 pp 1, 11*

[Report by Peyatro]

[FBIS Translated Text] The campaign to wipe out the Khmer Rouge rebels along the border began when Army commanders General Ke Kimyan and General Nhoek Bunchhai visited troops in the 5th Military Region along the border with Thailand at the end of last week.

Colonel Chum Sambat, spokesman for the National Defense Ministry, said the dry season has arrived. This is usually the time when the Army launches activities everywhere against our enemies who are hindering national development. This official also said that the Army's task is to smash the Khmer Rouge rebel forces to prevent them from regrouping and to smash their support bases along the border.

A REAKSMEI KAMPUCHEA correspondent in the 5th Military Region reports that Poipet continues to suffer from frequent shelling between 0900 and 1500. Many shops close their doors at 1600 and remain alert. Many people are killed or wounded every time shells land near the township.

Colonel Chum Sambat said on 22 January that fighting between government troops and the rebels is underway in the Preah Vihear, An Seh, Pailin, Khla Ngoap, and Anlung Veng areas in the 5th and 4th Military Regions. He added that government troops constantly have the advantage over the rebels everywhere. This has split the Khmer Rouge forces and prevented them from cooperating with troops in other areas.

Another report from the Army headquarters says that on 22 January, government troops were the victims of poison put in puddles by Khmer Rouge rebels about 6 km south of Poipet in Banteay Meanchey Province. The report did not say how many soldiers were affected.

It was reported on 22 January that a commander in the 3d Division, who requested anonymity, told reporters based in Banteay Meanchey that about 10 commandos pushed the Khmer Rouge rebels into Thai territory south

of Poipet. The Khmer Rouge soldiers were disarmed by Thai border troops and sent back to Cambodia.

Colonel Chum Sambat reiterated that no matter what, during this dry season government troops will not let Khmer Rouge rebels regroup and launch attacks against government forces. Government troops will smash major Khmer Rouge dens along the border by splitting their forces to prevent them from helping their colleagues.

**Cambodia: Officials Visit Troops in Battambang**

*BK2701155196 Phnom Penh National Radio of  
Cambodia Network in Cambodian  
1200 GMT 27 Jan 96*

[FBIS Translated Text] His Excellency [H.E.] General Ke Kimyan, chief of the Khmer Royal Armed Forces [KRAF] General Staff, and H.E. Gen. Hok Langdi, director general of the National Police, visited officers, noncommissioned officers, and combatants stationed at Battambang Province's frontline bases on 23 January. H.E. Major General In Sidare, commander of the 5th Military Region, reported to the chief of staff about his men's living conditions and the military operations being conducted to ensure the security of the people in remote areas, where the rebellious bandits are currently conducting destructive activities.

H.E. Ke Kimyan praised the KRAF combatants for their courage, sacrifice, and struggle for the cause of the motherland. He also acclaimed them for their all-out unified efforts in the current process of restoring and redeveloping the country in all fields. The chief of staff urged the combatants to continue to serve the nation, the religion, and the king.

Concluding, the excellency wholeheartedly thanked and extolled the combatants for having this year, as in the previous year, created favorable conditions that have resulted in successive victories over the Khmer Rouge rebels. The excellency chief of staff also said the chances for success were dependent on all of the commanders, who are the key players, adding that they should further strive to defend the people's interests and the KRAF's positions firmly in accordance with the Royal Government's expectation and trust.

**Cambodia: Khieu Samphan on 1998 Election 'Trick'**

*BK2701094296 (Clandestine) Radio of the Provisional  
Government of National Union and National Salvation  
of Cambodia in Cambodian 2330 GMT 25 Jan 96*

[Interview with Khieu Samphan, prime minister and minister of the Provisional Government of National



Union and National Salvation of Cambodia and chairman of the National Union Party, by an unidentified correspondent; date and place not given — recorded]

[FBIS Translated Text] [Correspondent] My respects, Your Excellency. Recently, Ranariddh talked about the Vietnamese entering our territory to grow rice in Svay Rieng Province. Your Excellency, do you have any comment on this?

[Khieu] Certainly. It was communist Vietnam and Hun Sen, the lackey of communist Vietnam, who ordered Ranariddh to say that. In fact, this matter is a hundred times more serious than what Ranariddh has described. The fact is that the communist Vietnamese are annexing Cambodia and exterminating the Cambodian race. They have not merely taken over a few plots of Cambodian land to plant rice. The fact is that millions of our people have been starved to death. The survivors have become impoverished; they have lost all their cattle, lands, and rice fields, because the communist Vietnamese, the over 4 million ethnic Vietnamese, and the communist Vietnamese puppet administration have plundered them and bled them white. Our people have become impoverished and starving. The former then bait our people with a few cans of their so-called labor-rice ration or a few bags of dried rice so as to induce the people to serve the K-5 corvée and recruit them as soldiers or militiamen to fight and die worthlessly. For 17 years the communist Vietnamese exterminated our race in an atrocious manner. Then came the alliance, the two heads, and Ranariddh. They again have joined hands with the communist Vietnamese to exterminate our race. They have bowed down to serve as lackeys of the communist Vietnamese and Hun Sen.

Now Ranariddh has pretended to clamor furiously about the Vietnamese planting rice on land hundreds of meters deep inside Cambodian territory. Would Ranariddh dare to do this on his own? No, he would not. If the communist Vietnamese and Hun Sen, puppet of communist Vietnam, had not told him to do so, Ranariddh would not have dared to do it. He would have simply kept a low profile.

[Correspondent] What was the purpose of the communist Vietnamese in ordering Ranariddh to do that?

[Khieu] Yes, the communist Vietnamese and Hun Sen ordered Ranariddh to betray the nation and to uphold a sham patriotic banner in order to amend Ranariddh's image, which has become quite notorious, and to use the label of FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] in serving their election schemes in 1998.

[Correspondent] What do the United States and the alliance think?

[Khieu] The United States and alliance also agreed to let Ranariddh do this because they are [?at their wit's end].

[Correspondent] Ranariddh said he will enter the monkhood for a few weeks. Do you have any comment on this?

[Khieu] Communist Vietnam and the United States understand that Cambodians uphold Buddhism. Therefore, they tell Ranariddh to enter the monkhood in the hope that this will help to restore some influence for Ranariddh, thus enabling him to play the leading role from now on in the service of their 1998 election schemes.

Communist Vietnam and the United States try hard to conceal this stinking shit so as to maintain the two heads.

[Correspondent] Do the United States and alliance know that Ranariddh does not support them anymore? Do you have any comment?

[Khieu] The United States and the alliance also know that the communist Vietnamese and their lackey Hun Sen monopolize the power in Cambodia through a single-party system.

[Correspondent] Yes. What else do the United States and alliance expect?

[Khieu] The United States is at an impasse, at its wit's end, because of its blind strategy and policy in assisting communist Vietnam and continuing to kindle communist Vietnam's war to massacre the Cambodian nation and people. But neither communist Vietnam nor the United States can kill the Cambodian nation and people. On the contrary, the communist Vietnamese and their puppets have smashed all the pro-U.S. forces, so that the United States has not got a clue what to do. The communist Vietnamese are dictatorial and monopolize everything [words indistinct]. They will never allow anyone to be in their way. This is what they do in Cambodia as well as in Vietnam. The communist Vietnamese [words indistinct]. They will never give out anything of substance. They have behaved this way for nearly three years now and will continue to do so.

David Bramlett, deputy commander of the U.S. Pacific Command, went to Phnom Penh to bargain with the communist Vietnam on that matter. Winston Lord, U.S. assistant secretary of state, also went to Phnom Penh and then to Hanoi just to bargain with the communist Vietnam on this matter. But they all went back home emptyhanded. The two warned communist Vietnam's



puppet Hun Sen and the communist Vietnamese about cuts in U.S. aid. But the communist Vietnamese know well that the United States would not dare to cut its aid, because the United States has plunged deep into its blind strategy and policy. To continue bargaining with communist Vietnam, the United States will not give a substantial amount of aid. It will give only a small sum — a drop at a time.

At a time when the communist Vietnamese puppet regime is suffering acute agonies in all fields and in all aspects, the communist Vietnamese themselves are also experiencing serious suffering. But they will never give in to the United States. They will never give way on anything, neither on political parties, democratic freedoms, nor free elections — let alone on the army or police forces. The communist Vietnamese also know how to control the United States. They can manipulate the United States at will. They continue to use Ranariddh in order to preserve a two-headed formula. This is in order to conceal the fact that there are only the heads of the communist Vietnamese and Hun Sen, their out-and-out lackey.

[Correspondent] Your Excellency talked about the 1998 election trick of the communist Vietnamese and puppet Hun Sen. What is this trick?

[Khieu] To easily understand the 1998 election trick of the communist Vietnamese and their puppet Hun Sen, we should look back a little. The FUNCINPEC won in the elections sponsored by UNTAC [UN Transitional Authority in Cambodia] in 1993. But did the communist Vietnamese and their lackey Hun Sen hand over power to the FUNCINPEC? No, they usurped power. At that time, the communist Vietnamese ordered Hun Sen, their out-and-out lackey, to declare the secession of seven eastern provinces of Cambodia so that they can be part of Vietnam. They then mobilized the communist Vietnamese puppet army's commanders, who are draped with ranks and medals in the communist Vietnamese style, to go to the palace to threaten the samdech head of the Supreme National Council to form a two-headed government. Everyone has surely heard about the succeeding events since then.

In fact, the two-headed government is the government of communist Vietnam. It ousted His Excellency [H.E.] Sam Rangsi from the government and the National Assembly. The communist Vietnamese and Hun Sen also usurped H.E. Son Sann's Buddhist Liberal Democratic Party [BLDP] and turned it into another puppet party by installing Ieng Muli as the party chairman. H.E. Son Sann tried hard to preserve his party by holding his party congress. The communist Vietnamese and Hun Sen lobbed grenades to disperse the crowd.

They jailed and deported Prince Sirivut, secretary general of the FUNCINPEC and half brother of the king. No one dared to utter a word. H.E. Sam Rangsi formed a new party. Hun Sen and Sar Kheng said this party is illegal. What does this all mean? It means that they will not give anything to H.E. Sam Rangsi, H.E. Son Sann, or Prince Sereivut, but will grant benefits only to Ieng Muli, Sieng Lapresse, and Ranariddh, who have bowed their heads to become their lackeys. They will not allow any free elections. In the 1998 elections, there will be only the so-called Cambodian People's Party [CPP], the fake FUNCINPEC of Ranariddh, the fake BLDP of Ieng Muli, and other parties that are puppets of the communist Vietnamese. As for the result, we can foresee that this time the CPP will take the lead and the fake FUNCINPEC of Ranariddh will be in the second place instead. In a word, the communist Vietnamese have tried to touch up Ranariddh's image so as to avoid others from seeing him as a depraved person and cheap lackey of communist Vietnam and Hun Sen, and to allow Ranariddh to preserve some of FUNCINPEC's facade so that they can further use Ranariddh and the FUNCINPEC's facade to preserve the two-headed formula. This is so that the communist Vietnamese can maintain their dictatorship, monopoly, and fascism and continue kindling the aggressor communist Vietnamese war to annex Cambodia. This is the true story.

[Correspondent] How will the situation develop further?

[Khieu] I have talked about the United States and alliance being at their wit's end. The communist Vietnamese and their puppet Hun Sen are also at their wit's end. They have ordered Ranariddh to raise the sham patriotic banner because they are at a complete impasse. This is why they have ordered Ranariddh to enter the monkhood and so on. It is because they are at a complete impasse that they have poured perfume on to the stinking shit.

In committing aggression, annexation, and race extermination against Cambodia during the past 17 years, the communist Vietnamese have caused an acute national and social reaction and a very acute and deep racial reaction among all social strata of our nation. They have clearly differentiated between the communist Vietnamese and the (?Cambodians) and between treason and patriotism. But nothing can confuse us. This national and social reaction is a most powerful force. This force is stirring up everywhere and causing fighting all over: in the countryside, in the cities, and abroad. It is behind the fight to liberate the nation and race, defend the nation and race, end the aggressor communist Vietnamese war, and realize peace and national reconciliation. This national and social reaction, this national and social hatred, this national and racial anger, and this



force will not stay still and will continue undiminished; it will continue to grow stronger and stronger. Neither the communist Vietnamese, the alliance, nor their puppet lackeys can stop this movement; it can never be halted.

**Cambodia: Khmer Rouge on Destruction of Tanks on Route 10 Front**

*BK2501085396 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 24 Jan 96*

[FBIS Translated Text] The two heads launched a two-pronged attack, with ground troops and tanks, against us in the Kamping Puoy area on the Route 10 battlefield on 22 January.

The first prong was directed at Khla Pa from Ta Kut. Shortly after moving out, the forces entered our "strategic weapon networks." Once they reached our mine field, we began to attack the ground troops from behind and the sides, killing one or two enemy soldiers each time and scattering the remaining troops into the jungle. As for the tank operators, they became terrified and drove to the left and right. One of the tanks, however, exploded and caught fire when it drove over our mines. We killed six enemy soldiers and wounded 10 others.

Shortly after sallying out, the ground troops in the second prong, which was mounted from Sla Pa, were attacked from behind. Two tanks, which were driven by frightened operators, exploded in flames when they drove over our mines. As a result, eight ground troops and tank operators were killed and 12 others wounded.

**Cambodia: Khmer Rouge Claims Government 'Routed' in Preah Vihear**

*BK2901124996 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1130 GMT 29 Jan 96*

[FBIS Translated Text] On 27 and 28 January, our national resistance forces routed an operation by two-headed troops attempting to take An Seh Pass in Choam Khsan District on the Preah Vihear battlefield. During these two days, the resistance forces killed or wounded 58 enemy soldiers and destroyed two tanks. The two-headed troops are being routed; they are facing food shortages and are deserting the battlefield. Our national resistance forces continue to smash the enemy.

**Cambodia: Khmer Rouge Report on Victory on Sisophon-Poipet Front**

*BK3001042096 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 29 Jan 96*

[FBIS Translated Text] The following is an additional report on the National Army's victory in smashing the two-headed operations on the Sisophon-Poipet battlefield.

1. Beginning at 0600 on 28 January, the two heads mobilized Divisions 3, 11 and 12 and sent them out in three columns to link up at Boeng Prama.

On the first front, they sent out about 100 troops from the 3d Division escorted by three tanks from Sangke Yar bridge. A little distance from the bridge, these troops encountered our strategic weapon networks. The commanders ordered their troops to remove our punji stakes and mines, but they refused. A battalion-rank commander who tried to remove the stakes and mines himself was killed in a mine explosion. Some soldiers standing nearby were also killed or wounded. We snipped at and attacked them from the flanks, causing both the ground troops and tanks to retreat in disarray.

The enemy on this front was completely routed.

On the second front, about 100 troops from the 11th Division escorted by three tanks were sent out of Veang Luong east of Kouk Thom. Both the troops and the tanks were trapped in by our strategic weapons networks. We fired at the ground troops, killing a few in each barrage. They fled but fell into our punji pits and mine fields, some being killed or wounded. The survivors retreated. The enemy on this front was also completely routed.

On the third front, the two heads sent out troops of the 12th Division from Yeay At and Ta Kong to link up with those from Divisions 3 and 11 at Boeng Prama. Hardly had the 12th Division covered three kilometers when they were routed by our forces. The 12th division was routed by our forces before on 27 January, with many killed or wounded. The survivors fled in disarray. Some who lost their way in the jungle died from thirst. Two of their four tanks were damaged when they ran over our mines.

Survivors from the 12th Division trapped in our strategic weapons networks are being cut into pieces by our sniping. They are being killed a few of them at a time.

In sum, Lay Vireak's 12th Division is completely trapped on this front.

2. According to the confessions of some of those captured from 12th Division on 26 January, its 35th and



36th regiments each has less than 100 troops left while troops from the 3d and 11th Divisions are deserting and fleeing home in droves.

3. Due to these repeated debacles, the 4th and 5th Military Regions' field commands under Prum Samen and Prum Moranak at (words indistinct) have been forced to pull back.

**Cambodia: Army Commissions Former KR Soldiers**  
*BK2301093596 Phnom Penh REAKSMEI*  
*KAMPUCHEA in Cambodian 22-23 Jan 96 p 12*

[Report by S. Oddam]

[FBIS Translated Text] The Banteay Meanchey Operational Subzone held a ceremony on the morning of 18 January to commission 156 former outlawed rebel soldiers into the Khmer Royal Armed Forces [KRAF] in the presence of Lieutenant General Nhoek Bunchhai, first deputy chief of the General Staff.

Colonel Kuy Chanmunni, commander of the Banteay Meanchey Operational Subzone, said that during 1995 the province welcomed back to the national fold 207 former Khmer Rouge [KR] soldiers, including two female combatants, and 158 families or 835 persons who handed over to our government forces in Banteay Meanchey 100 assorted firearms, some war materiel, five walkie-talkies, and five boats.

Of the 207 former rebels who had surrendered, 156 volunteered to serve in the KRAF. Their requests were approved and four of them were commissioned lieutenant colonels, four majors, 13 captains, six lieutenants, and nine second lieutenants. The remaining 120 ex-KR soldiers received ranks from master sergeants to privates.

It should be noted that of the four newly commissioned lieutenant colonels only three were present as the fourth was murdered on 29 December.

In his conversation with the former outlaws, Second Deputy Governor Thach Khon stressed: The Royal Government, the Defense Ministry, and the General Staff always warmly welcome those who break rank with the rebel army. All KR officers and soldiers who return to the national community and especially those who join the KRAF will receive the same rank and the same role so that together with can help one another rebuild our Cambodian motherland.

In his statement, Lt. Gen. Nhoek Bunchhai, first deputy chief of the General Staff, said: To achieve national union and national reconciliation for peace is a lofty aspiration and a dear wish of the Cambodian people. "The return to the national fold of all of you from the Army of Democratic Kampuchea means that you have

answered in time to the appeal of our king, the Father of National Union, as well as the appeal of the Royal Government and KRAF General Staff."

Nhoek Bunchhai added: "After commissioning all of you into the KRAF, I ask you to remain loyal to the nation, religion, and king all your lives. Moreover, on behalf of the KRAF, you must fear no sacrifices and must overcome all difficulties to help safeguard and protect the interests of the people and contribute to ending the war in Cambodia."

A huge crowd of people, officials, students, Buddhist monks, and high-ranking staff officers of the 5th Military Region attended the ceremony.

**Cambodia: Outcome of CPP Participation in Government Lamented**

*BK2401110996 Phnom Penh SAPORDAMEAN*  
*SEREIPHEAP THMEI in Cambodian 13 Jan 96*  
*pp 1, 3 (Tentative)*

[Unattributed report]

[FBIS Translated Text] It is a shame that the king has a title but no power and that the prince krompreah [First Prime Minister Ranariddh] has power but seems like a mere rubber stamp. This is not a painful matter for the people, but it is for members of the royalty who have no power in the government. Which king brought shame to his family members such as Chakkrapong, Ranariddh, and Prince Kromkhum Sirivut?

Before the election, the United Nations — and in particular the United States — declared it would only recognize the election winner. Why did the king force Ranariddh to share power with the Cambodian People's Party [CPP]? Was he afraid that people living in the seceded zone [eastern provinces] would get hurt? After Hun Sen received power from the king, what did he do to express gratitude? One of the king's sons and a brother were arrested and exiled. FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] cannot do anything without the consent of the CPP, but the CPP can do anything without the consent of FUNCINPEC. To this day many active FUNCINPEC members in the provinces are still not safe. The king knows very well who the CPP, Chea Sim, and Hun Sen belong to. Why did he agree to give Hun Sen a share of power against the people's will? It is because of the king's compassion that Chea Sim is now National Assembly chairman, Hun Sen is prime minister, and almost all the important government posts are in the hands of the CPP. It is because of this compromise that there are so many Vietnamese living in Cambodia, the Cambodian people are still suffering, and the war continues to this day.



Will the king force the winner of the next election to share power with Hun Sen if the latter loses again?

Prince Krompreah, please heed this if you have a sporting spirit: Do not use the king's picture again in the next election to avoid tainting our king's name.

**Cambodia: Extremists Criticized for Playing 'Khmer Rouge Game'**

*BK2501140696 Phnom Penh National Radio of Cambodia Network in Cambodian  
1300 GMT 24 Jan 96*

[Political commentary: "Is This the Nationalist Ideal of the New Great-Leap-Forward Elements?"]

[FBIS Translated Text] The Kingdom of Cambodia [KoC] is now over two years old. Both the revered king and the Royal Government of Cambodia [RGC] have made great efforts to consolidate the policy of independence, self-assistance, and neutrality. This process has been welcomed and highly valued by national and international public opinion. However, the Khmer Rouge rebels, who have been dumped into the trash can of history by the Cambodian people, and a group of new, great leapers [puok moha loat phloh], through their clandestine radio and unethical propaganda machine, have insulted and criticized the RGC and the government leaders as Vietnamese puppets and puppets of the Vietnamese puppets.

Worse still, these new great leapers have persistently called on France and Indonesia to reconvene the conference on Cambodia. This is really a reverse proposal.

Concerning this matter, our people have been well aware of the trick of the Khmer Rouge, who are the old great leapers. During their rule, which lasted for three years, eight months, and 20 days, they libeled innocent people as being under the CIA or the KGB and puppets and agents of this and that elements as a pretext for executing whole families.

What is strange is that some persons who claimed to be top nationalists and advocates of democracy have turned to play the Khmer Rouge's game by alleging and urging their puppets to accuse the others of being Vietnamese puppets, being corrupt, being unfaithful to the king, and so on; and by using most vulgar language. They have written articles in newspapers that are sold freely in public places, where ordinary people [words indistinct]. Their articles are full of untrue stories to mislead the people by accusing the other Cambodians of committing treason and criticizing the two prime ministers, using most vulgar language that the press in the free world would not dare to publish.

Do you not know, all of you, that you are devaluing and eroding the national forces, thus causing foreign countries to look down on your own country to the point that the strength of the Cambodian nation might be easily sapped? Don't you all know that this is a trap set by the Khmer Rouge, or are you Khmer Rouge puppets? If you are really nationalists, champions of human rights, why must you accuse the others by using such vulgar words?

Our people understand that the KoC is now implementing a multiparty liberal democracy. Who is a lackey of whom? You should make it clear and provide concrete proof. One should exercise one's rights by not encroaching upon the rights of others.

Moreover, during the past 2 years and more, the old great leapers — the Pol Pot genocidal gang — have kept using the word "Vietnamese" as a pretext to destroy the property and lives of the nation and people. Simultaneously, those who claim to be the new generation of great leapers have slandered and tried to defame the other Cambodians and even condemned government leaders and prominent people in society, who are fulfilling their missions to restore and develop the country in line with our revered king's advice.

In the past, the Khmer Rouge have used the "hate the Vietnamese" pretext so as to execute millions of our fellow Cambodians. Are those players of the Khmer Rouge game trying to use this pretext so as to continue killing the Cambodians? We would like to ask this question: If they really are Cambodian intellectuals who advocate liberal democracy, will they dare to sincerely implement this system, desist from demagoguery that exploits the people, and motivate the people to build a genuine nationalist ideal that will contribute to leading Cambodia toward progress, materially and intellectually, and to building sufficient forces to resist neighboring countries's territorial expansion by building a wall of friendship? Or will they just continue to maintain this "hate the Vietnamese" idea to hinder national defense and accuse and kill their fellow Cambodians in line with the Khmer Rouge policy?

Moreover, whenever they have said anything, these elements have always claimed to be following his majesty's advice. But when the revered king appealed for everyone to unite around the RGC and enhance Cambodia's sense of self-dependence, they have turned to follow in the Khmer Rouge's footsteps by calling on the co-chairmen of the Paris Conference on Cambodia, that is, France and Indonesia, to reconvene the conference. Why must this conference be reconvened when they do not recognize the RGC, which was born out of the implementation of the spirit of the International



Conference on Cambodia; when they accuse it of being a puppet of a foreign country; and when the Khmer Rouge do not implement what they had signed? Maybe they want the international community to remove the RGC and then install them in power instead.

Are these really the so-called new great-leap-forward nationalists?

### Indonesia

**Indonesia: Daily Sees No Need To Be 'Excessively Fearful' of PRC**

*BK2901140996 Jakarta KOMPAS in Indonesian  
29 Jan 96 p 4*

[Editorial: "There Is No Need for Asian Countries To Be Excessively Fearful of the PRC"]

[FBIS Translated Text] The peaceful disposition that the PRC attempts to display in the Asia-Pacific region is becoming more blurred. Two major news reports last weekend showed China in the wrong position. The first news report from New York said that China was preparing to launch a limited attack against Taiwan, while the second news report from Manila cited a shoot-out between the Philippine Navy and two Chinese ships.

According to THE NEW YORK TIMES last Wednesday, China has reminded the United States that China will launch a limited attack against Taiwan within weeks after President Lee Teng-hui wins a presidential election next March.

The threat has become more frightening, because the Chinese military forces will launch a missile attack against Taiwan—one missile every day for 30 days. The threat sounds serious, because China has conducted several missile tests using the waters north of Taiwan as the target.

According to the New York daily, the Chinese warning was conveyed through Chas Freeman, former U.S. assistant secretary of defense, who held discussions with senior Chinese military officers during the winter.

Quoting Freeman, THE NEW YORK TIMES said that Taiwan President Lee Teng-hui's behavior "in the weeks after he is reelected will strongly determine" whether Communist Party leaders in Beijing will deem it necessary to resort to "military action" to stop President Lee's behavior.

Taiwan will hold a presidential election in March, the first democratic election for the post. President Lee Teng-hui is tipped to win the presidential seat. Lee has been determined to continue his efforts to win international recognition of Taiwan.

China has condemned Lee's actions, particularly his efforts to declare Taiwan's full independence. China has tried to isolate Taiwan in various international forums and has protested any designations that directly or indirectly refer to Taiwan, which was separated from China in 1949, as an independent country.

The news report that China was preparing a limited attack against Taiwan surprised many parties, as it came only two days after former British Prime Minister Margaret Thatcher reminded Asian countries in her lecture in Manila to be vigilant against China, particularly with regard to its growing military activities.

According to Thatcher, China will become a far more frightening military power in the future. While the surprise at the PRC's plan to launch a strike against Taiwan has not yet faded, a news report from Manila cited a shoot-out between the Philippine Navy and two Chinese ships.

Nevertheless, surprise at and anxiety over China's military threat do not persist because the U.S. Government, via State Department Spokesman Nicholas Burns, said that Washington saw no indication that China was preparing a military attack against Taiwan. The United States has pledged to closely monitor developments in relations between China and Taiwan.

What is the PRC's reaction? The Chinese Government has refused to comment on THE NEW YORK TIMES news report, which it describes as speculative. Close examination of the news report on the shoot-out between the Philippine Navy and the two Chinese ships does not indicate that China provoked a conflict with the Philippine Navy.

Moreover, the news report simply said that a Philippine warship was involved in a shoot-out with two foreign ships that were believed to be Chinese. Although the ships returned shots fired by the Philippine warship, it was not precisely known whether they were Chinese warships or fishing vessels. Last Friday, the Philippine Foreign Affairs Department and Navy simply identified the two ships as unknown foreign ships.

Although former British Prime Minister Margaret Thatcher has reminded Asian countries to be vigilant against China, there is no need to be excessively anxious regarding China's growing military power. Moreover, China's military adventurism cannot be gauged from its military activities in addressing the Taiwan issue. China treats the Taiwan issue as an internal affair, because it considers Taiwan a province that broke away from Beijing when the civil war ended in 1949. Accordingly, reunification is the only way for the issue to be settled.



China has toughened its stance on Taiwan in response to Taiwan President Lee Teng-hui's concerted efforts to win international recognition of Taiwan as an independent country. Military analysts are doubtful that China does intend to attack Taiwan militarily. The news report on a planned attack on Taiwan could simply be intimidation. Maybe China intended to simultaneously send a "message" to Taiwan and to the United States. In essence, the message simultaneously seeks to remind Taiwan President Lee Teng-hui to end his efforts to seek international recognition of Taiwan as an independent country and for the United States not to be too friendly with Lee Teng-hui.

Thus, it is important for the world, including the United States—which was allied with Taiwan during the Cold War—not to meddle deeply in PRC-Taiwan relations. It is feared that the involvement of a third party in the PRC-Taiwan conflict will widen the conflict, and that could have a negative impact on regional stability and security. Of course, no country in the region wants to see the security situation disrupted.

#### **Indonesia: Communication With Irian Jaya Abductors Restored**

*BK3001101896 Jakarta ANTARA in Indonesian 0926 GMT 30 Jan 96*

[FBIS Translated Text] Wamena, 30 Jan (ANTARA) — Radio communication between the GPK [security disturbance movement] and ABRI [Armed Forces of the Republic of Indonesia] was restored today after Kelly Kwalik, the GPK leader who replaced Daniel Yudas Kogoya as leader of the abductors, stopped radio communication almost a week ago in his bid to remove the 13 hostages from Mapenduma village.

A source told ANTARA in Wamena on Tuesday that the GPK abductors had contacted the authorities via single side band radio. It was not Kelly, however, but his followers who spoke on the radio.

The abductors continued to stress during the radio communication the need for ABRI not to resort to military action. They also expressed concern over the frequent roar of helicopters, which they have interpreted as military maneuvers.

Commenting on the issue, Lieutenant Colonel Sumertha Ayub, commander of the Jayawijaya District Military Command, said ABRI is determined to free the hostages by persuasive means, as instructed by ABRI's top leaders.

Meanwhile, Brigadier General Zacky A. Makarim, director of Division A of the BIA [Army Intelligence Bureau], was seen at the Wamena Airport as he was about

to board a Fokker Airfast plane that would take him to Jayapura and then to Jakarta.

"I must return to Jakarta for work purposes," Zacky said, without elaborating when an ANTARA correspondent tried to interview him.

#### **Indonesia: Daily Wants OPM in Irian Jaya Crushed 'Once For All'**

*BK3001071296 Jakarta REPUBLIKA in Indonesian 30 Jan 96 p 6*

[Editorial: "Crush the GPK in Irian Jaya *Once for All*" — italicized passages published in English]

[FBIS Translated Text] How does one face the Irian Jaya GPK [security disturbance movement, the official name of the OPM or Free Papua Movement], who have held innocent hostages, including a number of foreigners, conducting scientific research, for three weeks?

The GPK's action has clearly amounted to an act of terrorism. Holding innocent people as hostages as a means of achieving political purposes has never won world sympathy. The international community has agreed that acts of terrorism must be eradicated and no financial, material, and, let alone, political concessions will be made.

The Indonesian Government itself has long adopted a similar policy. Our leaders, including military officers, are reputed to reject any compromise with security disturbance movements who resort to political blackmail to achieve their objectives in Aceh, East Timor, or Irian Jaya.

Observation of the momentum of the Irian Jaya GPK's terrorist act, including the abduction of foreign hostages, clearly shows the GPK's objectives. First, they want to draw national and international attention to their presence and demands. Second, they want to give new "ammunition" to efforts to destabilize national development and political life.

Accordingly, we are not surprised that some people link the terror with anti-Indonesian overseas forces who have also raised a number of social and environmental issues in the development process in Timika, Irian Jaya where the GPK has resorted to kidnapping.

Nevertheless, whoever closely monitors Indonesia's political condition will note several points undisputed by all existing political factions. First, all formal and informal political forces agree that national integrity, including the integrity of Indonesian territory, must be maintained *at all cost*. Second, national problems will



only be settled through a political process without external interference. Third, there will be no compromise with acts of terrorism and blackmail.

Accordingly, it would be grossly wrong for Kelly Kwalik [an OPM leader who has taken hostage 13 Indonesian and foreign researchers in Mapunduma Village] to think that his demands will be met by kidnapping innocent people. Perhaps, the troops of the Armed Forces of the Republic of Indonesia [ABRI], who have been assigned to handle the case, are exhausting all means of trying to save the hostages on humanitarian grounds. If the kidnappers obstruct efforts to deliver food, medicine, and other *life support* material to the hostages, they will be fully responsible for crimes against humanity. The world will be their witness.

The sooner the kidnapping case is settled by the ABRI, the better. The commander of the Armed Forces has indicated this to the territorial officer responsible for Irian Jaya.

It is universally understood that every country, including Indonesia, has the right to defend and protect its national interests from sabotage. Perhaps, this is a correct momentum to crush the Irian Jaya GPK "once for all."

#### **Indonesia: Irian Jaya Rebels Free Two Kidnapped Students**

BK3001040696 Jakarta KOMPA in Indonesian  
30 Jan 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Jakarta, Kompas — Marwiyah Abubakar and Muhammad Basyir Kadir, two students of Swakaesa Senior High School in Arso, were released by the security disturbance movement [GPK, the official name of the OPM or Free Papua Movement] on Monday (29 January). The students were kidnapped by a GPK faction headed by Mathias Wenda on 22 November while on the way to school, close to the border with Papua New Guinea [PNG].

"The two hostages were released in the Skotchiau area at 1430," Supeno Said informed, who is vice consul of the Republic of Indonesia in Vanimo. Supeno said that the two students were undergoing medical check-ups at a local hospital and would later be transferred to Hotel Saundaun. The two students were handed over by Mathias Wenda to Melko Kapaith, a member of the PNG Human Rights Commission. Kapaith later handed them over to Peien Aloich, assistant governor of Sandaun Province, who represented the PNG Government.

Supeno Said said the consulate would immediately charter an aircraft to fly them to Jayapura. Indonesian Consul in Vanimo Lieutenant Anthony David Mahulette

said earlier that the two hostages were due to be released on Sunday (28 January).

"They were deep in the jungle, and it took four and a half hours to reach Vanimo," Mahulette said.

#### **Indonesia: No Sign of Movement of Irian Jaya Abductors**

BK3001023696 Jakarta ANTARA in Indonesian  
1721 GMT 29 Jan 96

[FBIS Translated Excerpt] Wamena, 29 Jan (ANTARA) — By Monday night, there still has not been any contact with the security disturbance movement [GPK, which officially refers to the OPM or Free Papua Movement] that has taken a team of researchers hostage in Mapunduma Village. There were no signs that the GPK kidnappers were moving out from the site, either.

An ANTARA source close to the military in Wamena said [words indistinct] a multitiered military blockade to prevent the GPK kidnappers moving out from the area.

On Monday afternoon, loading activities were visible around Wamena Airport. Logistical supplies made up of (?two) containers of food for military personnel were sent from Jayapura. However, no fresh soldiers were seen.

Meanwhile, a defense attache pessimistically predicted that the kidnapping would last for months. [passage omitted]

#### **Indonesia: Foreign Hostages Write to Embassies, UN**

BK2201062096 Jakarta KOMPAS in Indonesian  
21 Jan 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Wamena, KOMPAS — Foreign hostages have written letters to the British, German, and the Netherlands Governments. Written in English and Indonesian, copies of the letters were also sent to the United Nations. The gist of the letters is that the hostages are calling on each government to guarantee their safety in the hostage-taking case in Irian Jaya which has entered its 14th day.

"The letters were written on 10 January and sent via couriers who posted them in Wamena. The letters were addressed to the embassies of the three countries in Jakarta, as well as to the United Nations," a KOMPAS source in Wamena, Irian Jaya, said.

The letters have three main topics, namely, calling on the ABRI [Armed Forces of the Republic of Indonesia] not to take action against the abductors yet; asking



the British, German, and Netherlands Governments to guarantee their safety; and should ABRI decide to use force, the GPK [Security Disturbance Movement] abductors would kill the hostages.

A nonmilitary source said the letters, which were the first written by the hostages, were sent via couriers from Mapenduma to Wamena, without envelopes, and the embassies' addresses in Jakarta were provided separately.

"After the letters were put into envelopes with the proper addresses, they were posted in Wamena in mid January," said the source.

In addition to the letters sent via couriers, the hostages also sent letters through Frank Momberg, a German national and one of the hostages who was released when ABRI agreed to grant the abductors' demand that four clergymen be sent to the abductors' site on Monday (15 January).

Other letters addressed to the families of the hostages were sent through command headquarters asking for the release of hostages in Wamena. Several correspondents who managed to read some of the letters believed that the hostages were not in distress or being threatened.

"This can be seen from their handwriting. The letters are well written and give the impression that they are not in distress or being threatened," said one of the correspondents. [passage omitted]

#### **Indonesia: Government 'Deeply Regrets' French Nuclear Test**

*BK2901125296 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 29 Jan 96*

[FBIS Translated Text] The Indonesian Government deeply regrets France's sixth nuclear test in the South Pacific. In a statement issued today, the Foreign Affairs Department said the nuclear test, which has triggered a negative international reaction, will affect the current talks on a Comprehensive Test Ban Treaty. Indonesia also urges France to stop its irresponsible nuclear tests and hopes that the sixth test will be the last, as stressed by President Jacques Chirac last year.

In a recent visit to the Netherlands, Foreign Minister Ali Alatas and his Netherlands counterpart van Mierlo also discussed the nuclear test treaty. The two ministers agreed that the talks should be concluded soon. Indonesia is ready to cooperate with the Netherlands, the current chairman of the talks.

#### **Indonesia: Daily Urges Portugal To Behave 'More Progressively'**

*BK1801094596 Jakarta REPUBLIKA in Indonesian 18 Jan 96 p 6*

[Editorial: "London Talks"]

[FBIS Translated Text] There have been seven rounds of tripartite talks [involving Indonesia, Portugal, and the United Nations secretary general] on East Timor. The seventh round of talks took place in London on Tuesday (16 January). The first round was held in 1983 [year as published; held in 1993].

As in the past, Foreign Minister Ali Alatas represented Indonesia in the talks, while Portugal was represented by its new foreign minister Jaime Gama, who replaced Jose Manuel Durao Barosso. UN Secretary General Butrus Butrus-Ghali was present as mediator.

There was little progress in the seventh round of talks. Alatas, however, said the discussions proceeded in a very constructive and useful manner. According to him, Indonesia itself did not present concrete proposals to the meeting because it was waiting for a suggestion from the UN secretary general.

The little progress was expected, because Indonesia and Portugal view the East Timor issue from different perspectives. Indonesia regards the territory as its 27th province and maintains that the issue is over. Portugal maintains the opposite view.

Nonetheless, we hope that Portugal will behave more progressively when the three sides meet again in Geneva on 29 June. Also, we hope that the presence of Foreign Minister Jaime Gama, who belongs to the Socialist Party, will bring a fresh wind to settle the differences between Indonesia and Portugal.

Gama's comments on the London talks hopefully reflect Portugal's desire to adopt a more realistic stance on the East Timor issue. He described the talks as "open, honest, and very transparent".

Gama said during one occasion in London that the latest round of talks had in fact not yet reached a stage where there was an "immediate settlement" of the differences over East Timor. However, he said many things ranging from human rights to the cultural identity of the East Timorese, were discussed during the London talks.

We have fulfilled Foreign Minister Gama's hope in quantitative and qualitative terms. We have taken steps to preserve the sociocultural identity of the East Timorese regardless of whether or not we have been asked to do so.



The talks indeed showed that culture is one of the strategic points of the overall talks on East Timor. We fully understand that the cultural aspect is an inseparable part of the efforts to settle the issue of the youngest province once and for all, although the political aspect seems to be more prominent whenever the international community discusses East Timor.

We showed our will to settle the issue when we decided to set up a branch of the National Commission on Human Rights in Dili. The branch is expected to be inaugurated on 21 January 1996. We should note that Dili will be the only Indonesian city to have a branch of the National Commission on Human Rights.

The efforts to finally settle the issue should be boosted by talks between pro- and anti-integration East Timor groups. The first round of talks took place last year. Another round scheduled to be held in Austria next March will hopefully further contribute to the settlement of East Timor.

#### **Indonesia: East Timor Resistance Claims Killing of 4 Soldiers**

*BK3001031796 (Internet) INDONESIA Listserv  
in English 30 Jan 96*

["East Timor Media Release" by the National Council of Maubere Resistance or CNRM on 30 January: "Four Indonesian Troops Killed, Nine Injured in Viqueque by East Timorese Falintil Guerrillas, as ABRI Steps up East Timor Operations"]

[FBIS Transcribed Text] A report from the East Timorese Clandestine Resistance, dated 15 January, just received by CNRM, indicates that the Indonesian occupation forces (ABRI) have increased their military operations aiming to eliminate the East Timorese Falintil [East Timor National Liberation Armed Forces] armed resistance forces in the operating mountains. This is leading to an increase in casualties. Four ABRI troops have been killed and nine injured recently.

At the same time in the villages, Indonesian military intelligence personnel (INTEL) have tightened security in all strategic points including the suburbs of Dili. Since last September under the supervision of the brutal Brigadier General Prabowo Sugianto, President Suharto's son in law, these forces have been receiving special training in the locality of Aileu.

In the current offensive campaign, ABRI troops are divided into groups of ten men who launch night time attacks. At the same time, INTEL members arrest, at their homes, anyone they suspect of supporting the Resistance. During day time ABRI troops hide in bushes near villages, in particular near the water sources,

while INTEL personnel monitor villager movements, aiming to detect any incursion of the East Timorese Resistance fighters. While intensive military operations are conducted in the mountains, strict security controls are kept in strategic access roads in and out of villages and bigger cities. Movements of young people are intensively monitored, especially at night time. When the military find young people strolling at night, these are immediately arrested and beaten for no obvious reasons, and then sent home.

**Report on Some Recent Occurrences 1. Lospalos:** on 22 November at 5:00 am, the villagers of Rasa and Naulo were woken up by gun shot noises of an armed confrontation between Indonesian troops and East Timorese fighters. Neither side reported losses or injured. That evening, the Indonesian troops conducted house searches in those villages, fearing infiltration by Falintil members. The searches were carried out in a most intimidating manner.

On November 27, ABRI members ambushed a Falintil fighter, Luis dos Santos, between the two villages of Rasa and Naulo, also capturing a FKC rifle and bullets. Luis dos Santos is detained at military intelligence SGI [expansion unknown] headquarters in Dili.

2. Baucau: on 21 December 1995, a youth by the name of Duarte Belo was beaten mercilessly by a member of the battalion 745 until he bled profusely from the mouth. No reasons were given for the brutal treatment.

On 26 December 1995, Kopassus (Special Forces) members stationed in the village of Loi-Lubo, Vemasse, organised a Christmas party in order to attract participation by local youths. By late night some Kopassus members created disorder and arrested Alfredo Sebastiao da Costa, 25, from the village of Uai-Dare and Bento Pereira, 21, from Kaideno-Oossoala, after accusing them of disturbing the party. The Kopassus members responsible are 2nd lieutenant Muhamad Hassan, and private Lorenzo.

On 2 January 96, the Indonesian military started annihilation operations in the areas of Baguia, Laga, Quelikai and Vemasse, constantly intimidating civilian population of these areas. An unofficial curfew from 5:00 pm to 5:00 am has been imposed by the local military officials.

At Baucau airport there are 4 helicopters and a jet fighter ready to provide assistance to the operational troops. Their registration are: Bell Helicopter HS 5070, Bell Helicopter HS 5075, Bell Helicopter HS 5078, Bell Falcon HA 5702, Sky Hawk A4.

3. Viqueque: in January, Falintil members in the Viqueque region shot dead four Indonesian troops and



injured nine. The latter are now being treated at the Wira Husada Military Hospital in Dili.

**Indonesia: Dailies View Pros, Cons of New Deregulation Package**

**BK3001111596**

[FBIS Report] Two Indonesian dailies, published in Jakarta on 29 January — MERDEKA and KOMPAS — carry editorials commenting on the new deregulation package in the industrial, trade, and financial sectors announced by the finance, industry, and trade ministers on 26 January.

MERDEKA carries an approximately 500-word editorial on page 6 entitled: "Deregulation: Adequate But Not Comprehensive." The daily notes: "The deregulation of the flow of export-import goods and machinery and production equipment from and to bonded areas or export entreports, or between bonded areas and export entreports is the most effective aspect. Previously, the facilities were only meant for goods at the bonded areas/export entreports to be transported to industrial zones situated in other customs areas."

Continuing, the daily says: "As expected, some businessmen and economic observers have noticed several shortcomings in the 26 January 1996 deregulation package. In general, the deregulation package does not stress the financing of the operational costs of industries. For this reason, the government can hopefully introduce a regulation to protect industries dealing in international services so that they will not be taken over by foreign capital."

The daily says the expected abolition of restrictions in the administrative procedures on exports and imports does not appear in this deregulation package.

Quoting the Institute for Development of Economics and Finance, the daily adds: "Basically, the deregulation package has not touched the main source of structural distortion in the domestic market, that is, monopoly and oligopoly." We see this as the main weakness of the 26 January deregulation package, which we deem as adequate but not comprehensive enough to solve the problems in our high-cost economy, the daily concludes.

In an 800-word editorial on page 4 entitled: "The New Deregulation Package and Reactions from Business Circles," KOMPAS says: "Those in the shipping and fishing industries seem to be very happy with the newly-issued economic deregulation package. Now that they can import ships, they no longer have to sacrifice their interests by buying inferior quality, locally-made ships at high prices."

Continuing, KOMPAS says exporters of textiles and textile products are also happy with the new deregulation package, but in general it has received a relatively cool response from business circles.

The daily adds: "This is not the only time that the government's deregulation package has been greeted by business circles with a cool response. A similar response has been given every time a deregulation package has been issued over the last several years."

The daily recalls euphoria among the business circles when the government issued the first regulation package in the banking sector in 1983. Business circles felt that Indonesia was entering into a new era that would usher businessmen into a better economic situation and bring prosperity to the nation. They were still optimistic when several deregulation packages were announced during the following years; however, that optimism has now evaporated.

The daily further adds: "The deregulation packages issued over the past several years have apparently failed to fulfill expectations, as reflected in the disappointment previously mentioned. Despite this, the government says that the deregulation packages have been carefully planned and issued in logical steps, and will one day fulfill the people's expectations, especially those of the business circles."

"The business sector feels that the blockage in the economic system is the capricious collection of levies that cannot be abolished through a series of deregulation packages. For them, this is the reason why their businesses can never be efficient and competitive. This is also the main cause of the high costs in their economic activities and Indonesia's high-cost economy as a whole."

Continuing, the daily says: "Another hitch in the country's economy is injustice. Indonesia has adopted a guided market economic system. There is no perfect market economy mechanism in this world. Furthermore, not all economic problems can be solved through this mechanism."

The daily stresses that as far as the business circles are concerned, there has been injustice in the market economy mechanism for a long time. They feel that genuine businessmen have to face stiff competition in entering the market economy, and those who win in the competition grow bigger while the losers have to give up. After having to face such a stiff competition, they are still burdened with several other charges. By contrast, they also see bogus capitalists becoming hugely successful without having to compete, and who have access to all the facilities available.



Concluding, the daily says: "Looking at the condition in Indonesia, it is still uncertain whether the two blockages in the economic system — the collection of levies (official or unofficial) and the injustice in the competition in the market economy mechanism — can be overcome by a deregulation policy."

**Indonesia: Government Concerned Over Conflict in Islamic Organization**

*BK2001094396 Jakarta KOMPAS in Indonesian*  
*19 Jan 96*

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — President Suharto has reiterated that the government has no intention of victimizing a big organization such as the NU (Nahdlatul Ulama) Muslim Organization, because it is a pillar of the nation. The government is very concerned over the internal friction facing the organization. For this reason, the government is willing to help resolve the friction in the NU, but without interfering in its internal affairs.

Minister of Religious Affairs Tarmizi Taher is willing to act as mediator, if requested, to resolve the conflict.

Tarmizi stated this to journalists following his meeting with President Suharto at the Merdeka Presidential Palace in Jakarta, on Thursday, 18 January.

"The most important statement [preceding word in English] made by President Suharto today is that the government has no intention of destroying the NU which is a big organization. President Suharto and I had long discussions on this matter," Tarmizi said.

Tarmizi said that the government considers the NU conflict the nation's problem. Due to this, the president has repeatedly emphasized the significance of maintaining firm unity and cohesion.

Still, the government considers the issue the NU's internal problem and due to this, the government is not going to interfere in the organization's internal affairs.

However, it is hoped that the NU personnel involved in the conflict can solve the problem as soon as possible. "The government is prepared to provide assistance to any organization that is having internal friction, especially to NU, an Islamic missionary organization which can be considered the Prophet's [Mohammad] kin. Thus the organization's leaders are religious teachers of the community. It has a large number of members and those in the NU perform outstanding Islamic missionary work. [passage omitted]

**Laos**

**Laos: U.S. MIA Team Arrives for Talks, Visits Provinces**

*BK2601134496 Vientiane Vitthayou Hengsat Radio*  
*Network in Lao 0500 GMT 25 Jan 96*

[FBIS Translated Text] On 23 January, a meeting took place at the Foreign Affairs Ministry between Souban Salitthilat, deputy foreign affairs minister of Laos, and a U.S. delegation headed by General (Singold), assistant secretary of state.

The two sides, Laos and the United States, reviewed their bilateral cooperation in searching for U.S. soldiers missing during the war.

The U.S. side informed the Lao side that to date 64 excavations have been carried out in which the remains of some 129 U.S. soldiers have been recovered. There still remain 58 more cases, involving 114 missing persons, which have yet to be excavated. The U.S. side informed the Lao side that the U.S. Government highly valued the Lao side for providing clues and carrying out joint search missions in areas where the remains of the missing persons were assumed to be buried. The U.S. side believed that such cooperation would prove to be even more fruitful in the future.

The Lao side reaffirmed the consistent policy of the Lao Government to cooperate with the U.S. Government in carrying out search operations, unilaterally or bilaterally, for the remaining missing persons. The Lao side also informed its U.S. counterpart of its efforts in setting up its own technical team to study various documents and data on missing persons and to coordinate with the U.S. side.

Yesterday, the U.S. team visited the excavation sites in Khammouane and Savannakhet Provinces.

**Laos: Vientiane Signs Aide Memoire with PRC's Yunnan Province**

*BK2301034096 Vientiane KPL in English*  
*0944 GMT 22 Jan 96*

[FBIS Transcribed Text] Vientiane, January 22 (KPL) — A signing ceremony of an aide memoire was held here last night at Lane Xang hotel between Vientiane Prefecture and Yunnan, southern China.

Signing the document were Mr. Boun-guang Volachit, secretary of the party committee of Vientiane Prefecture and mayor of Vientiane, and Mr. Quao Yien, member of the Communist Party of China Central Committee, secretary of the provincial party committee and advisor to the people's administration of Yunnan Province.



The two sides agreed upon exchanges to enhance relations of friendship between the peoples. They expressed their unanimous views to actively promote exchange and co-operation in such fields as economy, trade, communication, science, technology, culture, education, and tourism.

#### **Laos: Delegation From PRC's Yunnan Province Departs**

*BK2301134096 Vientiane KPL in English  
0913 GMT 23 Jan 96*

[FBIS Transcribed Text] Vientiane, January 23 (KPL) — Deputy- Prime Minister Khamphoui Keoboulapha, who is also president of the Committee for Planning and Cooperation, yesterday morning received here the high-level delegation of Yunnan Province, headed by Mr. Quao Yien, member of the Communist Party of China Central Committee, secretary of the provincial party committee and advisor to the people's administration of Yunnan Province.

The delegation was on their four-day good-will visit from January 18 to 22 at the invitation of the mayor of Vientiane Prefecture.

In their talks, which proceeded in a friendly and cordial atmosphere, Mr. Quao Yien informed the Lao leader of the outcome of his visit.

Mr. Khamphoui highly valued it and said that it would contribute to tightening up the long-existing friendly ties and co-operation between the two countries as well as between Yunnan and Vientiane.

He stressed widening the co-operation in power, communication, mineral resources, agricultural and other fields.

During their visit, the Yunnan delegation met with a high-level delegation of Vientiane Prefecture; called on the minister of communication, transport, post, and construction, and the minister of industry and handicraft; signed an aide memoire with Vientiane Prefecture; and also visited cultural and economic sites in Vientiane Prefecture and the central Savannakhet Province.

On their departure for home yesterday afternoon, the Chinese delegation was seen off at the Wattai airport by Mr. Boun-guang Volachit, member of the Lao People's Revolutionary Party Central Committee (LPRP CC), secretary of the party committee of Vientiane Prefecture and mayor of Vientiane Prefecture; Mr. Zoo Jiahua, Chinese ambassador to Laos; and a number of high-ranking concerned officials.

#### **Laos: Security Meeting Held With Thai Border Committee**

*BK3001115196 Vientiane KPL in English  
1044 GMT 29 Jan 96*

[FBIS Transcribed Text] Vientiane, January 29 (KPL) — The Lao and Thai border security committees of Lao northern Sayaboury Province and of neighbouring Thai Uttaradit Province held their second meeting on January 19 in Sayaboury.

The meeting discussed and evaluated the overall situation at their common border and reviewed the implementation of their memorandum signed by the two provinces on April 20, 1993.

The meeting was co-chaired by Mr. Saman Supsaman, provincial governor and chairman of the Thai-Lao border security committee of Uttaradit Province, Mr. Bounheuang Douangphachan, provincial governor and chairman of Lao-Thai general border security committee of Sayaboury Province.

#### **Lao Foreign Minister Visits Thailand 27-30 Jan**

*BK2901075696 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 29 Jan 96*

[FBIS Translated Text] Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic, and a delegation left Vientiane on the evening of 27 January for an official friendship visit to the Kingdom of Thailand from 27 to 30 January at the invitation of M.R. [Mom Ratchawong — royal title] Kasemsamoson Kasemsi, foreign minister of the Kingdom of Thailand.

During the visit, Somsavat Lengsavat is to be granted an audience by His Majesty King Phumiphon Adunyadet of the Kingdom of Thailand. He will also pay a courtesy call on Prime Minister Banhan Sinlapa-acha, hold talks with the Thai foreign minister, and visit many places in Bangkok and a number of industrial plants at Laem Chabang.

#### **Laos: Thai Defense Minister Arrives for Visit**

*BK2601140096 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 26 Jan 96*

[FBIS Translated Text] At the invitation of His Excellency [H.E.] Lieutenant General Choummali Saignason, national defense minister of the Lao People's Democratic Republic [LPDR], H.E. General Chawalit Yongchaiyut, deputy prime minister and defense minister of the Kingdom of Thailand, and his delegation arrived in Vientiane this morning to pay a two day official visit to the LPDR.



A grand welcoming ceremony for the Thai deputy prime minister and defense minister and his entourage was held at the National Defense Ministry in Vientiane. Attending the ceremony were H.E. Lt. Gen. Choummali Sai-gnason; Somphan Kokilanon, ambassador extraordinary and plenipotentiary of the Kingdom of Thailand to Laos; and a large number of high-ranking military officers and concerned persons.

At the welcoming ceremony, after paying respects to the Thai and Lao national flags, H.E. Lt. Gen. Choummami Sai-gnason invited H.E. Gen. Chawalit Yongchaiyut to inspect the honor guard and introduced him to high-ranking Lao people's Army officers.

After the welcoming ceremony, the two sides held talks at the reception hall of the National Defense Ministry in an atmosphere of friendship and mutual understanding.

During the same morning, accompanied by H.E. Brigadier General Douangchai Phichit, chief of the General Staff Department of the Lao People's Army, H.E. Gen. Chawalit Yongchaiyut and his delegation laid a wreath at the monument of unknown soldiers and paid homage to the That Luang pagoda and a stupa containing ashes of [late President] Souphanouvong.

#### **Laos: Indian Foreign Minister Ends Visit, Departs for Home**

*BK2501121496 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 23 Jan 96*

[FBIS Translated Text] On the morning of 22 January, Somsavat Lengsavat, foreign affairs minister of the Lao People's Democratic Republic [LPDR], and Pranab Mukherjee, minister of external affairs of the Republic of India, held a joint press conference in Vientiane, informing the media of the outcome of their talks and the visit to the LPDR by the Indian external affairs minister from 19 to 21 January.

Pranab Mukherjee said that his visit to the LPDR had been very successful. During the visit, he met with LPDR Foreign Affairs Minister Somsavat Lengsavat and paid courtesy calls on His Excellency [H.E.] President Nouhak Phoumsavan and H.E. Prime Minister Khamtai Siphandon. During the calls, the two sides exchanged views on bilateral relations as well as on various regional and international issues of mutual interest.

The Indian external affairs minister conveyed the greetings and best wishes of the Indian president and prime minister to the LPDR leaders. He hailed the significant achievements made by the LPDR in economic, social, and other fields, especially the economic restructuring policy adopted by the Lao Government. At the same time, the Indian side noted with satisfaction the growing

constructive role played by the LPDR in international affairs, particularly in this region. The Indian visitor expressed pleasure at the intention of the Lao Government to join ASEAN.

In the meantime, Somsavat Lengsavat expressed elation with the great achievements of the Republic of India in recent years in pursuing the reform policy outlined by the Indian Government. The Lao side highly valued the efforts made by India in trying to promote cooperation and solidarity in Southeast Asia and noted the leading role of India in the international arena, especially in the United Nations and the Nonaligned Movement. The Lao foreign affairs minister hailed the increasing cooperation between India and Southeast Asia, including ASEAN and the Indochinese countries.

Upon the conclusion of the visit, the two sides expressed profound satisfaction with the development of closer traditional relations between India and Laos. The two sides discussed ways to further broaden and enhance bilateral friendship and cooperation, especially in the economic field in the new period. At the same time, the two sides also noted the possibilities of developing industrial cooperation and the transfer of technology and discussed the strengthening of bilateral cooperation and exchanges, particularly in the fields of agriculture, human resources development, mining, and infrastructure development. At the same time, the two sides agreed to carry out a joint investment project to set up a water-pump manufacturing factory to serve the agricultural sector in Laos; this would set up through a low-interest loan of U.S. \$2 million, granted by the Indian Government in 1994.

The Indian external affairs minister informed the Lao side that in addition to giving humanitarian aid of U.S. \$30,000 to Laos, India has also decided to provide 1,000 metric tons of rice as relief aid to the victims of the recent floods in Laos.

The successful visit to the LPDR by the Indian external affairs minister as well as his warm talks with the LPDR leaders clearly show the close traditional relations and friendship between the two countries. The two sides unanimously agreed that the fruitful talks held during the visit have contributed to further strengthening the existing relations between Laos and India.

Pranab Mukherjee and his delegation left Vientiane for home at noon on the same day. On hand to see them off at Wattai airport were Foreign Affairs Minister Somsavat Lengsavat and many high-ranking Lao officials.



## Philippines

### Philippines: PRC Denies Ships Involved in 22 Jan 'Incident'

BK3001043496 Manila BUSINESS WORLD  
in English 30 Jan 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] China has denied reports that its ships were involved in a 90-minute gunbattle with a Philippine naval vessel last 22 January off Capones Island in Zambales.

In a statement faxed to reporters, the Chinese Embassy in Manila said the reported incident, which the Philippine Navy claimed involved an exchange of fire between a Philippine boat and a foreign ship carrying the Chinese flag, "had nothing to do with the Chinese side." "The Chinese side has conducted serious investigations into the incident reported by a Western news agency that a Philippine navy patrol gunboat traded fire with Chinese vessels on 22 January 1996," the embassy said. "We came to a conclusion that no boats from China have ever entered the adjacent waters referred to in the said report. The so-called incident that a Philippine navy patrol boat exchanged fire with boats which had intruded into the above-mentioned waters has nothing to do with the Chinese side."

### Philippines: Ramos Urges Links Against Terrorism, Drug Trafficking

BK3001043796 Quezon City Radio Filipinas  
in English 0230 GMT 30 Jan 96

[FBIS Transcribed Text] President Ramos ordered concerned government agencies to set up links with international police and intelligence organizations to combat drug trafficking and terrorism. He stressed the need for international networking in the drive to wipe out these two global evils. He said such links must be encouraged and enforced.

### Philippines: Alternative Plan to Antiterrorism Bill Viewed

BK2501040896 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 24 Jan 96

[FBIS Translated Text] After receiving negative views from various sectors, Malacanang proposes an alternative to Senator Juan Ponce Enrile's Anti-Terrorism Bill. According to Justice Secretary Teofisto Guingona, many provisions of the controversial bill will be replaced, including the removal of the provision on warrantless arrests, and on limited investigation of bank accounts of people considered as threats to the country's security. Authorities will also be selective on wire

tapping in case the bill becomes law. These alternatives were presented by Guingona during a meeting of the Legislative-Executive Development Advisory Council. Guingona added that those who will stage protest rallies will not be arrested.

[Begin Guingona recording in progress, in English] ...normal political, normal social objectives; and, therefore those who are politically agitating or protesting will not be included. Those who are socially protesting or,...will not be included. [end recording]

Meanwhile, President Ramos assured that his administration will rank the passage of the anti-terrorism bill second only to the economic concerns of the country.

[Begin Ramos recording in progress, in English] ...in this session of this administration, headed by a guy named Ramos, is the passage of the economic reform bill, the tax reform bill, and other bills that have been there in our common legislative-executive agenda ...[end recording]

## Thailand

### Thailand: Thai-Chinese Orbit Dispute Heats Up

BK2501041796 Bangkok THAILAND TIMES  
in English 25 Jan 96 p B1

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — Chinnawat Satellite Plc (SATTEL) has been fighting hard to persuade powerful countries, such as England and Indonesia, to join in its protest against China's decision to locate its APSTAR 2R satellite orbit at the 121 degree east position, SATTEL assistant managing director Nonglak Phinaitisat said yesterday.

Nonglak said the company is presently in contact with England and Indonesia, both of which will be drastically affected if APSTAR 2R is located on this position, to join in its protest against China.

Earlier, SATTEL complained against China's decision to send its APSTAR 2 satellite into the 78.5 degree position, as this was extremely close to Thaicom 1 and 2 satellites orbital position of 77 degree east.

The dispute between Thaicom 1 and 2 satellite started in 1994, with talks aimed at getting China to relocate its degree east position to another more suitable position. Moreover, all negotiations failed, as China chose to ignore Thailand's request.

However, this dispute came to an end after the APSTAR 2 satellite exploded during its first minutes of launch from its base in Sichuan City, China in February last year.



Nevertheless, despite the explosion of APSTAR 2, China proceeded to announce its decision to send its APSTAR 2R satellite into orbit, replacing the lost one, at a new 121 degree east position.

**Thai Defense Minister Leads Military Delegation to Laos**

*BK2601140296 Bangkok Radio Thailand Network in Thai 1200 GMT 26 Jan 96*

[FBIS Translated Text] General Chawalit Yongchaiyut, deputy prime minister and defense minister; Supreme Commander Gen. Wirot Saengsanit; Army Commander Gen. Pramon Phalasin; Navy Commander Admiral Prachet Siridet; and Air Chief Marshal M.R. [Mom Ratchawong — royal title] Siriphong Thongyai, Air Force commander called on Lieutenant General Choummali Sai-gnason, Lao national defense minister, at the Lao People's Democratic Republic National Defense Minister this morning. The Thai delegation is currently on an official visit to the LPDR.

The Thai and Lao officials discussed cooperation in economic and social development and ways to strengthen bilateral relations. Gen. Chawalit informed the Lao side that 1996 is an auspicious year for the Thai people since it will be the king's 50th year on the throne. To make merit and demonstrate love and closeness between Thai and Lao people, the Thai Government will seek a royal amnesty for suitable Lao convicts in Thai prisons. Gen. Chawalit proposed that Laos consider an amnesty for Thais in Lao prisons. The Lao side concurred with the proposal and would consider the issue.

**Thai Defense Minister Vows Transparency in Military Affairs**

*BK2501045196 Bangkok THAILAND TIMES in English 25 Jan 96 p A2*

[Unattributed Report]

[FBIS Transcribed Text] Bangkok — The activities and affairs of the armed forces will be more open and transparent than they have been in the past, according to Defense Minister Chawalit Yongchaiyut.

"This means that the Cabinet as well as public will know more about the armed forces' operations and activities," Chawalit said.

Deputy Prime Minister Chawalit, in his position as defense minister, made these comments after presiding over a three-hour National Defense Council meeting.

At the meeting, the 1997 Thai Armed Forces Structural Plan and the 8th National Social and Economic Development Plan were discussed.

The meeting attendees also considered the armed forces' budget for the 1997 fiscal year, Chawalit added.

Chawalit defended the decision to disclose the Armed Forces Operation Strategy Plan at the ASEAN seminar, saying that the disclosure would not threaten Thailand's security, but would be to the country's advantage since other ASEAN countries would know that Thailand intends to promote peace in the region.

Chawalit added that the Defense Ministry wants to improve the status of women in the armed forces by appointing the country's first woman general.

A special budget from the government's Budget Bureau to provide 25,000 personal two-way radios for the Army, Air Force and Navy was also discussed.

All three branches of the armed forces have been dealing with inadequate two-way radios, which are considered important equipment for military operations, Chawalit said.

**Vietnam**

**SRV: Delegates From PRC's Guangzhou Military Zone Visit**

*BK2301033896 Hanoi VNA in English 1506 GMT 22 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan. 22 — A delegation from the Guangzhou Military Zone of China led by its Deputy Commander Lieutenant General Zhou Yushu visited Vietnam from Jan. 16-23.

The Chinese delegation was cordially received by Lieutenant General Pham Van Tra, chief of the General Staff of the Vietnam People's Army. They had working sessions with senior officers from the First and Third Military Zones during which both sides discussed steps to be taken to build their common border a line of peace and friendship.

Earlier the delegation paid tribute to President Ho Chi Minh at his mausoleum and made tours of Dong Dang border post in Lang Son Province, the Seventh Military Zone, and places of cultural and historical interest in Vietnam.

**SRV Leaders Receive PRC Ambassador**

*BK2301153296 Hanoi VNA in English 1504 GMT 23 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan. 23 — Party General Secretary Do Muoi and National Assembly Chairman Nong Duc Manh received on separate occasions Chinese Ambassador Li Jiazhong who paid them courtesy visits today.



Speaking with the party general secretary, Ambassador Li Jiazhong conveyed to him the regards from Jiang Zemin, general secretary of the Communist Party of China and state president, Li Peng, prime minister, and other Chinese party and state leaders. He warmly welcomed the great achievements recorded by the Vietnamese people in their on-going renovation process and expressed his pleasure at the fine development of the relations between the two parties and countries.

Party General Secretary Do Muoi held that China's great achievements in the reform and open-door process as well as the consolidation and development of the time-honoured Sino-Vietnamese friendship and fraternal cooperation are practical contributions to the cause of peace, stability, cooperation and development in the region and the world at large.

The Vietnamese party leader took this occasion to convey his warm and fraternal greetings to Party General Secretary and State President Jiang Zemin, Prime Minister Li Peng, and other Chinese leaders.

Welcoming the Chinese diplomat, National Assembly Chairman Nong Duc Manh expressed his wish for the further consolidation of the growing relations between the legislatures of the two countries and asked the Chinese ambassador to convey his best regards to Qiao Shi, chairman of the National People's Congress of China.

#### **SRV: National Assembly Chairman Receives DPRK Envoy**

*BK2301155996 Hanoi VNA in English  
1521 GMT 23 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.23 — National Assembly [NA] Chairman Nong Duc Manh received (Ri Yung-gun), ambassador of the Democratic People's Republic of Korea (DPRK), who paid him a courtesy visit today.

Ambassador (Ri Yung-gun) expressed thanks to the party, government and people of Vietnam for their support to his country in the struggle for national reunification and promised to do his utmost to contribute to the consolidation and enhancement of the friendship between Vietnam and the DPR of Korea.

Na Chairman Nong Duc Manh he said believed that the traditional friendship between the two countries fostered by President Ho Chi Minh and President Kim Il-sung would be further developed. He expressed his thanks to chairman of the Supreme People's Assembly Hwang Chang-yop for his best regards to the Vietnamese people and the chairman himself and wished that the relations

between the two legislatures would be developed in the future.

Taking this opportunity, Chairman Manh asked the DPRK diplomat to convey his greetings to Chairman Hwang Chang-yop, President Kim Chong-il and other DPRK leaders.

#### **SRV: Vo Van Kiet Receives Israeli Finance Minister**

*BK2301151296 Hanoi VNA in English  
1504 GMT 23 Jan 96*

[FBIS Transcribed Text] Hanoi VNA January 23 — Prime Minister Vo Van Kiet received here this afternoon Israeli Finance Minister Abraham B. Shohat who began a three-day official visit to Vietnam on Jan.22.

The prime minister described the visit, the first by an Israeli minister since the two countries established diplomatic relations in July 1993, as a continuation of the consolidation of the friendly and cooperative relations between Vietnam and Israel.

The government leader said that Vietnam regards co-operation with regional countries as well as all other countries the world over as a requirement for development.

As far as stability in the Middle East is concerned, the prime minister highly appreciated Israel's positive role to regional stability, saying it conforms to the aspiration of all nations and to the common trend for peace, stability and development for which, he stressed, stability is an important factor and a favourable environment. Therefore, the prime minister continued 'The fine relationship between Vietnam and Israel is also a favourable factor for the relations between Vietnam and other countries in the region.'

The prime minister spoke highly of Israel's experience in cooperation, management, technology and science which he said are worth for Vietnam to study. He expressed thanks for Israel's aid of USD 10,000 to Vietnamese flood victims.

The Israeli finance minister assured the Vietnamese leader of the areas for both countries to establish bilateral cooperation, especially in economy.

#### **SRV Economic Delegation Visits Greece, Albania**

*BK2301153696 Hanoi VNA in English  
1521 GMT 23 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.23. — An economic and commercial delegation of the Vietnamese Government led by Deputy Trade Minister Nguyen Xuan Quang, has paid visits to Greece and Albania.



While in Greece from Jan.12-15, the Vietnamese delegation held talks with a host delegation led by Mr Antho Poulos, minister of the economy (name and title as received), during which the two sides informed each other of their countries' socio-economic situation. The delegation also worked with the export promotion agency Hepo and met with Greek businessmen.

An agreement on cooperation in economy, commerce, industry and technology between the two countries was signed on this occasion.

During its stay in Albania from Jan.16-19, the delegation held talks with an Albanian delegation led by Mr Feim Codo, deputy minister of industry, transport and trade. At the talks the two sides confirmed their desire to develop bilateral relations in different fields.

The Vietnamese delegation was received by Ms. Suzana Panariti, minister of industry, transport and trade.

The meetings and talks took place in an atmosphere of cordiality and mutual understanding. A memorandum of understanding relating to the visit was signed and agreements on cooperation in economy, trade, education, culture and science between the two governments were initialled.

**SRV: 40,000 Tonnes of Rice Pledged for ASEAN Program**

*BK2601124496 Hanoi Voice of Vietnam in English  
1000 GMT 26 96*

[FBIS Transcribed Text] Vietnam has pledged to contribute 40,000 tonnes of rice for ASEAN Food Security Program, placing second overall behind Thailand. The province is designed to provide timely support to ASEAN member countries facing food shortage.

Between 1991-95, Vietnam exported around 8.7 million tonnes of rice of various grades. Last year the total was about 2 million tonnes. Vietnam has exported rice to almost 40 countries, including France, the United States, Singapore, Hong Kong, Malaysia, and Thailand. Meanwhile, large areas of winter-spring crop across the country are being ravaged by pests and diseases. About 80 percent of rice seedlings in Hai Hung province in North Vietnam is facing destruction by harsh winter conditions while between 5 to 25 percent of the winter-spring rice has been affected by plant disease. Local farmers are being supplied with extra seeds to compensate for the damage and prepare for the next spring crop.

**SRV Party Resolution on Renovating State Trade**

*BK2901163696 Hanoi NHAN DAN in Vietnamese  
19 Jan 96 pp 1, 3*

[FBIS Translated Text] The Party Central Committee Political Bureau has issued Resolution No. 12/NQ/TU on "continuing to renovate the organization and operations of trade and develop the market based on socialist orientations."

In evaluating the market and operations of trade during the years of renovation, the resolution points out:

In implementing the party-initiated renovation line over the past years, the trade sector has, together with other sectors and localities, scored initial yet important achievements in the circulation of goods and provision of services and contributed to creating profound changes in the domestic market and to gaining a new position in the foreign market. Trading activities have been shifted from a mechanism of bureaucratic centralism and state subsidization to the market-oriented mechanism under which prices are based on the value of goods and on the relationship between supply and demand. The market has been shifted from a state of division and tightness based on administrative boundaries to fit a pattern of "self-sufficiency, self-reliance" to a state of freedom of movement based on the rules of the market-oriented economy and of the law. With the participation of many economic sectors, capital and technology have been mobilized to boost the circulation of goods, henceforth leading to a vigorous development of the domestic market and a rapid increase in the total volume of goods in circulation.

The foreign market has been broadened thanks to the diversification and multilateralization of external economic relations. Diverse forms of services have been linked to the circulation of goods, thus helping to vigorously boost business and production, meet the demands of life, and create jobs for the working people.... State control over market and trading activities has effected changes for the better in terms of organization and macro management planning, thus creating conditions for promoting business and production... Trading activities have contributed to meeting the demands for materials and goods of the national economy, national defense, and the people's livelihood. Homemade goods are diverse; prices are relatively stable; inflation has been checked; more and more Vietnamese goods have reached the world market. The trade sector has positively contributed to production, helped redistribute labor, and encouraged other sectors to improve technology, methods of production, and product quality as well as link production with market demand step by step. It has also begun to bring into play the advantages of each



region and locality, helped the domestic market make its presence felt on the world market, added more value to the national economy, and improved the people's living conditions.

Besides the above-mentioned achievements and results, the market and trading activities of sectors, localities, and establishments still display many shortcomings and weaknesses and face complicated problems. This calls for correct policies and measures to deal with the situation and keep development on the right track. Though the goods market and businesses activities move at high speed, they are still heavily affected by spontaneous development. Basically, the trade sector remains small in size, its organization is scattered and in a state of infancy; trading activities are aimed at "getting a bite of the cake" through numerous tiers, and henceforth leading to a situation in which sellers are forced to accept low prices and consumers are compelled to pay high prices, whereas the same goods sell at cheap prices on the foreign market. No lasting connections have been established between producers and traders, as well as between traders themselves to form stable channels for goods circulation, stimulate production, guide consumers, and build a firm market to meet supply and demand. This is particularly true when it comes to trading agricultural materials and purchasing farm produce. Law and discipline have been violated and market order is yet to be established. Smuggling and the production of fake goods develop at an alarming rate and have an adverse impact on production and life. The practices of avoiding business registration and of evading compliance with the receipt issuing system for tax evasion purposes as well as unhealthy competition prevail in many localities and areas of activities. The level of trading civilization and of sanitation standards of the restaurant and food catering services is low. Lax control over commercial ads and cultural materials has an adverse impact on morality, lifestyle, and good customs and fine practices. State management over trading activities is fraught with weaknesses and negativism. Management over import-export activities and market control display weaknesses and shortcomings. No satisfactory and timely measures have been taken to collect and process information for market research purposes, thus causing an imbalance between supply and demand and creating loopholes for private dealers to speculate in goods.

Efforts have not been made to provide full assistance to production development, accelerate exports, and replace imported goods with high-quality goods produced domestically. No appropriate measures have been taken to protect the production of domestic goods and ensure the consumers' interests. More efforts should be made

to promote thrift to save money for investment and development, create new capabilities, and accelerate the high- and long-lasting growth rate of the national economy. It can be said that the business results of state trade are still low, its organization is dispersed, and there is an acute capital shortage. State production has not been carried out in close association with state trade, and the development of state trade at the central level has not been carried out in parallel with that in the province. As a result, we have not been able to bring into full play the combined strength of the state-run economy to regulate supply and demand, stabilize prices, organize and strengthen other economic components, and control the spontaneous development of private traders. The marketing cooperatives have not been earnestly assisted and renovated, and thus have disintegrated. The rural markets are completely under the control of private traders. These shortcomings and weaknesses have blocked the quick and lasting economic development, adversely affected agro-industrial relations and urban and rural relationship, and deterred social progress and justice.

The party Political Bureau's resolution carefully analyzed the subjective and objective causes of the aforementioned situation and asserted the objectives of "continuing to renovate the organization and activities of the state-run businesses and develop the market along socialist orientations—that is, to improve the markets, expand goods exchanges in all regions, and promote exports to meet the requirements of national industrialization and modernization. Efforts must be made to satisfactorily organize the markets and improve the distribution and circulation of goods in order to make trade the true lever for production development. Efforts must also be made to improve the economic structure, strengthen the division of social labor, stabilize prices, contain inflation, rationally reorganize the distribution of national income, increase reserves for the state budget, and improve the people's daily life. It is necessary to say that business activities, especially state-run businesses, must be carried out under the objectives of serving our country's socioeconomic targets in each stage and enhancing results in economic and social development programs. We must strive to build and develop our trade in a healthy and orderly manner, while promoting businesses in accordance with laws and regulations, carrying out modern trading system, and gradually advancing to modernization along the socialist orientations, thereby being able to integrate into markets in the region and the world."

The resolution pointed out: Efforts must be made to develop and satisfactorily use the capabilities and positive characteristics of our economic components in the exchange of goods and in building state businesses and



marketing cooperatives in order to firmly maintain the role of state trade in guiding the production of essential goods and in controlling businesses in key areas. We must strive to expand markets abroad for our goods, while developing and stabilizing markets at home, enhancing results in business and trade, improving the socioeconomic situation, and strengthening national economy. Development in distribution and circulation of goods and improvement of state-run enterprises must be placed under state management. It is essential to encourage development of the market mechanism's positive side and ensure economic growth in parallel with social progress and justice in each stage of the development.

To satisfactorily fulfill the aforementioned objectives, the party Political Bureau's resolution set forth nine key measures and tasks as follows:

1. To perfect the legal system and improve the management mechanism, policies, and apparatuses;
2. To use the uniform planning mechanism and financial and credit system;
3. To reorganize the markets in each locality in accordance with the established orientations;
4. To perfect the state trade management organization and maintain its leading role in the multisectorial trade system;
5. To develop various economic cooperation forms in trade and services;
6. To organize and guide other economic components to engage in business and trade;
7. To build the state management mechanism for trade activities;
8. To struggle against smuggling and other illegal trade transactions; and
9. To strengthen the party leadership in the trade domain.

#### **SRV Party Leader Sets Theme for Upcoming Party Congress**

*BK2301014796 Hanoi Voice of Vietnam in English  
1000 GMT 22 Jan 96*

[FBIS Transcribed Text] Party leader Do Muoi has launched a series of national grass-roots meetings leading to this year's Eighth National Party Congress by saying the underlining theme should be that all people have jobs and all households have adequate food, clothing, and the ability to earn a good living. The party leader outlined seven major plans for consideration in working toward that goal.

#### **SRV: Vo Van Kiet Outlines Models for State Corporation**

*BK3001081196 Hanoi VNA in English  
0551 GMT 30 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan.29 — Prime Minister Vo Van Kiet has highlighted the role being played by the newly established state-owned corporations in the present market economy and re-affirmed the correctness of the state policy to form these business.

He said: 'The decision to set up various state-owned corporation is part of efforts to streamline the state-run businesses along the policy of building them into a number of strong economic organisations capable of playing a leading role economically and financially in the state-owned sector in a market economy.'

Vo Van Kiet, who met with managers and directors general of numerous state-run corporations in Ho Chi Minh City on Jan. 11 and in Hanoi on Jan. 17 this year, also insisted that the newly formed corporations would not be considered as parent agencies. He said, 'all hurdles should be removed to help them perform their operations and management as a business.'

Mr. Kiet stressed 'the final goals of the establishment of these corporations are to create state-owned businesses which demonstrate all the advantages of the public economic sector in such areas as finance, expansion of markets and competition in these markets, technical and technological renovation, and increased efficiency of business operations.'

Referring to the organisational models of these businesses, the prime minister said 'the setting up of the management council, which is new and very important to the renovation of organisational structure and operations of the state-owned businesses, will be a decisive factor in these new business models.'

Vo Van Kiet also urged all corporations not to limit the operation of their member businesses but to expand their scope of operations with a view to making full use of the advantages of capacity as a large-scale government business.

He said: 'It is essential to promote marketing and investment in some localities in the country to develop material supply sources and to help create more jobs for local people and improve their living conditions... It is also needed to undertake joint ventures and cooperation or other forms of economic and business development in various areas with a view to boosting new investment projects, especially in technical and infrastructural sectors and in numerous medium-scale industrial zones and centres.' 'To expand joint ventures



with other businesses, especially those operating in localities, to set up joint stock companies and expand their markets... To promote cooperation among these corporations to make them stronger and capable of competing with foreign companies in the market.'

**SRV: Transport, Communications Sector Sets Development Goals**

*BK2801152896 Hanoi VNA in English  
1234 GMT 28 Jan 96*

[FBIS Transcribed Text] Hanoi VNA Jan. 28 — The transport and communications sector has set goals to accelerate the tempo of development of transport and communication infrastructure to serve national construction and economic development.

The goals set for the 1996-2000 period include the completion of projects to upgrade the national Trans-Vietnam Highway, the construction of other trunk motorways and sea ports, and a rural road network totalling nearly 4,500 kilometers. The ambitious scheme was revealed at a recent meeting to review the sector's work over the past five years.

An estimated USD [U.S. dollars] 90 million will have to be spent on more than 4,400 kilometers through some 343 villages in 38 remote provinces to achieve the target of having all villages linked by the year 2000, said sources from the meeting held in Ho Chi Minh City.

Over the past five years, about 21,700 km of new roads have been built in rural areas in addition to tens of thou-

sands of kilometers of other rural roads being expanded or upgraded. This has included the construction of about 18,260 bridges, besides the upgrading of highway portions with a total length of 2,180 km on national routes such as the Thang Long-Noi Bai Airport Expressway and National Highways No. 2, 183, 24, 27, etc.

Minister of Transport and Communications Bui Danh Luu told the VIETNAM NEWS daily that total costs for building the roads reached VND [Vietnamese dong] 4,260 billion, with 51.8 percent of the capital coming from the local population's contributions.

Big efforts have been made to apply advanced technology in the construction of bridges, motorways, ship-building, and auto manufacturing and assembly in order to improve and meet the growing demand of passenger and cargo transportation and import-export activities, thus laying the groundwork for the modernisation of the country's transport and communications industry in the future.

Funds for the next stage of rural road building for motor vehicles will come from the state budget over the next five years (about USD 20 million) and from other domestic and international contributions, Mr Luu added.

Vietnam has received contributions of USD 185 million from international organisations to expand, repair and upgrade existing road networks to the year 2000, including National Highway 1A.



## Australia

### Australia: Keating Condemns Sixth French Nuclear Test

BK2801073096 Melbourne Radio Australia  
in English 0500 GMT 28 Jan 96

[FBIS Transcribed Text] France has detonated another nuclear device in French Polynesia, the sixth and one of the most powerful in the current series. Erina Reddan reports the blast took place at Fangataufa Atoll:

[Begin Reddan recording] At 120 kilotons, this is one of the largest in the current series, which began on 5 September. An earlier underground tests with equal strength also took place at Fangataufa, while the remaining four were detonated at Mururoa. France gives no specific details on what the nuclear explosions are testing for except to say that they will ensure the future defense capability of France. French President Jacques Chirac has indicated that this test could be the last. However, the military will take several days to analyze the data before making a final decision. [end recording]

Australian Prime Minister Paul Keating has strongly condemned the French Government for conducting the test during negotiations for Comprehensive Test Ban Treaty. Sue Downie reports there has been widespread anger at the news of the latest test:

[Begin Downie recording] In a statement, the prime minister says the irresponsible action sends the worst possible signal to nations that aspire to possess nuclear weapons and damages effort to advance nuclear disarmament and nonproliferation. He says Australia will continue to press France to end its testing program immediately.

Foreign Affairs Minister Gareth Evans has called in the French ambassador, Dominique Girard, to see the acting head of the Department of Foreign Affairs today.

Opposition leader John Howard has joined the prime minister in condemning the test, saying the series is morally indefensible, provocative, and bewildering.

Greenpeace Communication Manager (Joel Anderson) says France and all other nuclear weapons states must make this the year of the Comprehensive Test Ban Treaty to stop all testings for all time. [end recording]

### Australia: Evans, New Zealand Premier Condemn French Test

BK2801082896 Melbourne Radio Australia  
in English 0600 GMT 28 Jan 96

[FBIS Transcribed Text] The latest French test has met with widespread condemnation from other nations,

including Australia. The Australian foreign minister, Gareth Evans, spoke of environmental concerns:

[Begin Evans recording] The size of it — 120 kilotons estimated, which is roughly 10 times the size of the bomb which devastated Hiroshima — makes the protest ground particularly strong on environmental grounds on this occasion. Moreover, every test that occurs does nothing more than reinforce the skepticism, the cynicism, the hostility which now exist throughout the developing world, in particular among the threshold and undeclared nuclear weapon states, about the hypocrisy and double standard of the nuclear weapon states. [end recording]

The Japanese prime minister, Ryutaro Hashimoto, described the test as very regrettable, and his New Zealand counterpart, Jim Bolger, called the French action outrageous.

[Hong Kong AFP in English at 0127 GMT on 28 January adds: 'New Zealand Prime Minister Jim Bolger said Sunday France's nuclear-test programme had been 'outrageous' and called on French President Jacques Chirac to make good his vow of support for an international ban on testing. Reacting to the sixth detonation, at Fangataufa Atoll in the South Pacific, Bolger said in a statement issued here: 'France's commitment to a CTBT (Comprehensive Test Ban Treaty) and to sign the South Pacific Nuclear Free Zone treaty are welcome, and as evidence of good faith I invite President Chirac to move immediately on both issues. France's insistence on continued testing has been outrageous. The aim of the world must be to stop nuclear testing forever and as a step in that direction, France must close its testing sites in the Pacific for all time. This sixth test must surely be the last.' Bolger said French ambassador Jacques Le Blanc would again be summoned to receive a diplomatic protest and France would be told it was New Zealand's 'firm expectation' that the sixth test would be the last.']

### Australia: French Envoy Calls Test Furor 'Complication' in Ties

BK2801085896 Hong Kong AFP in English  
0847 GMT 28 Jan 96

[FBIS Transcribed Text] Canberra, Jan 28 (AFP) — France's Ambassador to Australia said Sunday that the two countries remained friends despite outrage here over the detonation of the latest and possibly final nuclear test in the South Pacific.

Prime Minister Paul Keating strongly condemned the timing of the test, the sixth in the present series, which was detonated at Fangataufa Atoll, carried out at 2130 GMT Saturday.



But French Ambassador Dominique Girard said strains in the relationship between France and Australia caused by the nuclear testing had only been a complication.

"I think that the friendship between Australia and France, whatever you may think, never completely stopped, it was a relationship which was a little complicated," he said.

"I'm sure that there is a wealth of potential for cooperation between France and Australia.

"It's already working very well, it's not stopped working during this crisis in terms of economic co-operation, trade exchanges and cultural exchanges and all that.

"And I think that with the efforts of both sides we have been able to limit mostly this to political aspects."

Australia and neighbouring New Zealand spearheaded a global wave of protest against France's resumption of nuclear testing last September.

Speaking to reporters after receiving an official protest from officials at the Department of Foreign Affairs here, Girard was unable to say whether the latest test would be the last, saying that decision would be made after a technical assessment of the blast.

"If we can live with fewer tests we are very happy," he said.

Prime Minister Paul Keating said France should now respond to demands of South Pacific nations and stop testing, accept responsibility for any present or future damage caused by the tests, and allow international scientists access to the test sites.

"If, as the French government claims, it seeks to retain a role in the South Pacific then it must positively respond to the demands of the nations which it would call neighbours and friends," Keating said in a statement.



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